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29 August 1983

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## COUNTRY'S FUTURE SEEN AS 'THORNS WITH ROSES'

Kuala Lumpur BUSINESS TIMES in English 27 Jul 83 p 17

[Article by Humphrey Keenlyside]

[Text]

EVER since the British helped the then Sultan, Sir Omar Ali Saifuddin, to suppress a rebellion in 1962, the royal rulers of Brunei have retained tight control over the reins of power.

The British connection dates back to the height of the "Pax Britannica" when one quarter of the globe was painted imperial red. In 1888, Brunei became a British protected state, an area of 2,000 square miles on the north-western tip of Borneo — a far cry from Brunei's own sixteenth century empire which stretched from Manila to the Malacca Straits.

The discovery of oil in 1929 added to the strategic significance of the country. Joint participation between the Brunei government and Shell in the production of oil has seen Brunei become one of the richest states in Asia.

Oil gushes out at a rate of 60 million barrels per year bringing the Exchequer an annual income of B\$5 billion. Since annual expenditure amounts to little

**The Chinese contingent (about 25 per cent of the population) is mostly stateless. Since they make up a large part of the workforce in the oil and gas industries and, as elsewhere in South-East Asia, show a propensity for small commerce, the Sultan will need to ensure any discontent does not escalate into political disaffection. Another internal apprehension for the Sultan is the potential clash between the increasing prominence of Islam and a creeping Western decadence.**

more than one-third of this sum, Brunei has accumulated substantial reserves — currently US\$8 billion.

Cushioned by this wealth, the future of the new state appears rosy. But there are thorns both on the international scene and, more significantly, in the domestic context, through which the Sultan will be carefully picking his way.

Ensuring good neighbourly relations, in effect means joining Asean, whose anti-com-

munist stance is shared by Brunei. Membership will also give Brunei a voice in the world which on its own would not have been heard.

Brunei has always enjoyed cordial relations with Singapore and relations with Malaysia are now also good. In recent years, relations between the two countries have improved drastically and Malaysia has been quick to reassure Brunei of its intentions.

Both the present Sultan, Sir Muda Hassanal

Bolkiah, and his father are staunch anglophiles. Since 1959, Brunei has been a self-governing colony with, by a further agreement of 1971, Britain retaining control over foreign policy and defence.

A treaty signed in 1978 set down a five-year timetable after which Brunei was to assume full responsibility for its affairs.

The Gurkha battalion which guards the Seria oilfield is likely to remain after indepen-

dence. It imposes no burden on the British taxpayer (being paid for by the Sultan) and is fondly remembered by the royal family in Brunei for its part in quelling the 1962 uprising. Brunei also provides Britain's only jungle-training facility.

The Sultan is unlikely to make any substantive political changes after independence. Even if the emergency is lifted, tight security laws have been introduced to prevent any repeat performance of 1962. Not that the 200,000 population has special reason to be unhappy.

### Priority

Cars and colour televisions abound and there is not even the trouble of completing a tax return. Education and medical treatment is free. Government employees can make use of grants to undertake pilgrimages to Mecca.

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the oil and gas industries and, as elsewhere in South-East Asia, show a propensity for small commerce, the Sultan will need to ensure any discontent does not escalate into political disaffection.

Another internal apprehension for the Sultan is the potential clash between the increasing prominence of Islam and a creeping Western decadence. More mosques have been built and Islamic education has been given priority. There is no immediate danger of an Iranian-type fundamentalism, but much will depend on future developments.

Meanwhile, as independence approaches and the builders hasten to put the finishing touches to the new B\$600 million Istana (palace), Brunei will be looking to oil to cushion it against the harshness of the outside world.

Situated in one of the volatile regions in the world, no amount of wealth is an absolute guarantee of a secure future. — South Third World Media

CSO: 4200/803

TRANSMIGRATION PROGRAM TO CONTINUE DESPITE LIMITED FUNDS

Jakarta MERDEKA in Indonesian 1 Jul 83 pp 1, 11

[Article: "Million Families To Be Resettled During PELITA IV"]

[Excerpt] During PELITA IV [5-year development plan] the government will resettle between 800,000 and 1 million families in both its ordinary and voluntary programs.

Transmigration Minister Martono made this statement during a working meeting with Commission IV of Parliament, held in the Parliament building in Senayan on Thursday [30 June].

The figure for potential transmigrants is based on population figures for Java, Bali and Lombok for landless persons, experience gained during PELITA III as well as availability of land and limited funds. Also taken into account are limited personnel to handle transmigration, transportation and equipment.

The minister said 75 percent of all transmigrants will be ordinary transmigrants and 25 percent or about 250,000 families will be voluntary transmigrants. Candidates for transmigration will be moved from seven provinces: Special Capital Region of Jakarta, West and Central Java, Special Region of Yogyakarta, East Java, Bali and West Nusatenggara. Intraprovincial resettlement will be continued for instance, in Lampung, North Sumatra, Bengkulu, West Sumatra, East Kalimantan and North Sulawesi.

The ultimate goal of transmigration is the establishment of resettlement sites in 19 provinces, namely Special Region of Aceh, North Sumatra, West Sumatra, Riau, Jambi, South Sumatra, Bangkulu, Lampung (site), South Kalimantan, Central Kalimantan, Southeast Sulawesi, Maluku, Irian Jaya and East Timur [as published].

Resettlement to these various sites is to be guided. Priority will be given to areas in Sumatra for the relocation of voluntary transmigrants and priority will be given to central and eastern parts of Indonesia to ordinary transmigrants.

### Criteria

Priority for departure from their native areas to resettlement sites will be given to victims of natural disasters, those who live in critical, densely populated or impoverished areas, areas that have been taken over by development projects, and to the homeless in urban areas.

When queried, Martono explained that the limited funds available during PELITA IV will be an obstacle to carrying out the transmigration program. Therefore, in order to realize this program, funds from overseas sources will be used in addition to APBN [estimate of state expenditure and income] and public funds.

6804

CSO: 4213/82

INFLUX OF INDOCHINESE BOAT PEOPLE TO DECLINE

Jakarta FOMPAS in Indonesian 2 Jul 83 pp 1, 9

[Article: "Refugees on Galang Island Suffer From Emotional Illnesses and Dysentery"]

[Excerpts] Many Indochinese refugees on Galang Island suffer from neuroses and emotional illnesses and, as a result, complain that they cannot sleep, have stomach trouble, tire easily or are constipated. This is due to their concern over an uncertain future.

Iwan Yusuf, a doctor who cares for the health of the refugees on Galang Island, disclosed this information to newsmen at the Radio Republic Indonesia Office in Jakarta on Thursday evening [30 June]. Dr Iwan accompanied by Philippe Labreuveux, chief of the UNHCR (United Nations High Commission for Refugees) branch in Indonesia. Among those attending the meeting with the press was Soekarno, press and graphics development director general.

According to Dr Iwan, many refugees came to the health clinic to ask for tranquilizers because of these neuroses.

Other than emotional illnesses, dysentery frequently attacks the refugees, particularly Cambodian refugees.

The soil in Cambodia is fertile. Its people can plant all sorts of vegetables. Therefore many Cambodian refugees have problems with planting vegetables on Galang Island because the soil is less fertile there than in Cambodia. The refugees use human waste to fertilize the soil. They are most fond of kangkung, which is a type of spinach, according to Dr Iwan Yusuf, who has been assigned to Galang Island for 3-1/2 years.

Dr Iwan said malaria is not encountered very often among the refugees because the mosquitoes that live on the island are not the kind that spread the disease.

Meanwhile Philippe Labreuveux, who is a native of Switzerland, said the number of Indochinese refugees entering Indonesia is declining. About 6,000 Vietnamese refugees remain on Galang Island. In 1983, 2,333 Vietnamese

refugees came to Indonesia. This year also 3,604 Vietnamese refugees from Galang Island have been sent to permanent resettlement areas in patron countries such as the United States, Canada, France, Australia and other countries.

Some 78,825 Indochinese refugees came to Indonesia in small boats between 1975 and May 1983. During the same period, 73,191 Indochinese refugees were sent from Galang Island to third countries.

During May of this year 6,047 Indochinese refugees arrived in Indonesia in small boats. Some 4,474 refugees passed through Indonesia.

Labreuveux said it is estimated that the flow of refugees from Indochina can only decline. "However, we feel that this is something that cannot be stopped entirely." he remarked.

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CSO: 4213/82

POPULATION, LABOR FORCE PROJECTIONS ANNOUNCED

Jakarta KOMPAS in Indonesia 8 Jul 83 pp 1, 5

[Article: "Indonesian Labor Force Estimated at 93.8 Million by the Year 2000"]

[Excerpts] By the year 2000 it is estimated that Indonesia's population, which totaled 148 million in 1980, will be 222.8 million. Meanwhile the labor force, or population of working age (age 10 and over) which is active in the economic field--both workers as well as those seeking work--will increase from 64 million in 1983 to 93.8 million by the end of this century.

Dr Emil Salim, minister of state for population affairs and the environment (KLH), made this statement at a ceremony breaking the Muslim fasting day, which was held jointly by the Central Statistical Bureau (BPS) and the Central Indonesian Newsmen's Association (PWI), in Jakarta on Thursday evening [7 July].

He said population projections were needed to aid the formulation of plans and organization of government job programs for PELITA IV [5-year development plan] which will begin in 1984-85. The population and labor force projections that were announced by the KLH minister of state that evening have been included in a presidential decision which is to be used as the basis for formulating policies for PELITA IV.

Data used in the calculation of these population projections are figures for population, by age and sex, taken from the 1971 and 1980 censuses conducted by the BPS while figures for the labor force consist of data from the census, SUSENAS (National Socioeconomic Survey) and the Labor Force Survey.

Responding to a question as to whether BPS data are sufficiently reliable for use in establishing such high-level policies, Emil Salim said, "After I went around everywhere, I finally came to the conclusion that the BPS data is of the highest quality because BPS has no self-interest in the matter whatsoever."

Several assumptions have been made in compiling these population projections. The first assumption is that the birth rate will fall between 1980 and 2000 in line with the past trend, namely, there will be an average annual drop of 2 percent.

The second assumption is that the death rate will also fall between 1980 and 2000 in line with the trend. Therefore life expectancy will rise from 52.41 years of age between 1975 and 1980 to 64.05 years of age for the period 1995 to 2000. This means that life expectancy will rise by 2.9 years every 5 years over the basic life expectancy rate for 1975-80.

Another assumption is that there will be no international migration. This means that there will be an insignificant difference between the number of persons migrating overseas and those migrating from overseas to Indonesia.

Using these three assumptions, Indonesia's population will total 222,753,000 by the end of this century, growing from 148.04 million in 1980 to 165,153,000 by 1985 to 183,457,000 by 1990 and to 202,746,000 by 1995.

One of the most important aspects of the population question is the labor force. "The government realizes that calculation of the labor force or manpower in Indonesia must be improved," Minister Emil Salim remarked. He meant that the calculations must be able to illustrate the manpower situation structurally and be useful for planning.

In this connection manpower projections for the years 1980 to 2000 have been compiled for purposes of formulating policy for the manpower sector. Needed are calculations of the growth rate of the labor force by age group and sex. These figures are needed because we still do not know for certain how the growth of the labor force compares with population growth. The trend apparent to date is that though the population in the 10-year old age group continues to grow, an increasing number of them cannot be included in the figure for the labor force. For instance, an ever increasing percentage of the population in this age group is going to school.

Based on these calculations, the labor force will grow from 63,999,000 in 1980 (broken down into 40,850,000 men and 23,148,000 women) to 83,833,000 by the year 2000. This is broken down into 58,777,000 men and 35,056,000 women.

Minister Emil Salim added, four groups in the labor force are growing--those fully unemployed, partially unemployed, partially employed and fully employed.

Those fully employed are persons seeking work and have no work whatsoever. Those partially unemployed are persons who have a job but are not working at it or are working less than one-third of the normal working hours.

Those partially employed are persons who work between one-third and two-thirds of the normal working hours as well as persons who work less than one-third of the normal working hours but do not want to work more hours. Meanwhile those fully employed are persons who work two-thirds of the normal working hours or more as well as persons who have a job but are not working at it and do not want a job.

Normal working hours have been established as an average of 42 hours per week based on the agricultural sector working hours of 36 hours a week and 48 hours per week for the nonagricultural sector. With established normal

working hours of 42 hours per week, persons who work less than one-third of the normal working hours or less than 14 hours a week are considered to be unemployed.

KOMPAS asked about unemployment in Indonesia at the present time and the projection for the next few years. Unemployment figures are deemed necessary because the right policy can be formulated for the manpower sector only if the unemployment figure is available.

"Frankly I still do not have the projection," KLH Minister Emil Salim said. What we have now, he said, is the unemployment figure for 1976. It is known that those fully unemployed at that time constituted 2.35 percent of the total labor force, those partially unemployed 4.3 percent, partially employed 16.39 percent and fully employed 76.4 percent. The total figure for the labor force at that time was 47,777,490.

6804

CSO: 4213/82

EDUCATION MINISTER FINDS OBSTACLES TO PANCASILA ON CAMPUS

Jakarta MERDEKA in Indonesian 27 Jul 83 pp 1, 9

[Text] Prof Dr Nugroho Notosusanto, the minister of education and culture, was scheduled to deliver the opening speech at a Pancasila upgrading course for new students of the University of Indonesia at the Senayan stadium in Jakarta on Tuesday. In his speech the minister had intended to describe obstacles to the promotion of the Pancasila in a campus environment, however, the speech was cancelled due to "unfavorable conditions."

The students, who were dressed in white and are entering the university in the 1983/84 academic year, had become impatient. The oppressive heat was almost unbearable and the students were applauding wildly between speeches.

The minister, who is also rector of the University of Indonesia, was aware of the restlessness of the students and therefore quickly dedicated the Pancasila upgrading course and did not read the speech he had prepared. The Pancasila upgrading course is an introductory course for new students at the university and is presented as a part of the Campus Introduction and Study Program Orientation Week.

The minister said, "I know that you are applauding because you have lost patience. And I am sure that at 1800 hours 10 days from now you will applaud even more loudly, out of relief. OK, I am going to strike the gong, and you can read my welcoming speech this evening in your rooms."

These remarks were followed by thunderous applause and three strikes of the gong. Earlier each of the students had received a booklet titled "Welcome from the Rector of the University of Indonesia to the New Students of 1983."

Obstacles

In his welcoming speech, which is titled "Uphold the Life Style, Ethics and Spirit of Brotherhood of the Pancasila in the Campus Environment," the minister said that in a campus environment there are obstacles to the promotion of the Pancasila that are not found in other environments. He noted that the Pancasila has its source in the soul, the identity and the view of life of the Indonesian people and that these qualities had existed for centuries before national independence was achieved on 17 August 1945. Yet at the same

time, as a modern ideology that was given formal status in the preamble to the 1945 Constitution, the Pancasila is a relatively young ideology.

He said that in the campus environment there are two modern ideologies that have a significant influence in impeding efforts to promote the Pancasila as a modern ideology. These two ideologies are liberalism and Marxism.

He said that the influence of liberalism is evident in lecture courses and reading material on the social and cultural sciences. Textbooks that reflect a philosophy of liberalism continue to hold a dominant position, while the number of textbooks written by Indonesian scholars continues to be inadequate and many of these textbooks also are tinged with the philosophy of liberalism.

In the campus environment there is the added difficulty that the principles of the Pancasila are not consciously and firmly applied in the contest against liberalism and Marxism. It frequently happens that liberalism or Marxism are unconsciously used as a frame of reference rather than the Pancasila. This is a sign that education in the humanities has been neglected to some extent by all of us, the minister said.

He also said that while the Marxist ideology and Marxism-Leninism are rarely discussed, there are contradictions in the relations of the academic community and these contradictions are sometimes blown out of proportion. This conflicts with the spirit of brotherhood that must be maintained on campus, he said.

5458  
CSO: 4213/537

EMPHASIS PLACED ON SOCIAL JUSTICE IN FOURTH 5-YEAR PLAN

Jakarta MERDEKA in Indonesian 26 Jul 83 pp 1, 11

[Excerpt] President Suharto has declared that the subject of social justice will occupy an extremely important position in the Fourth 5-Year Plan and that activities to promote social justice will be carried out beginning next year. The President was speaking at the opening of the 1983 National Food and Nutrition Seminar in the Bina Graha building on Monday morning.

"We desire to lay the framework for this runway during the Fourth 5-Year Plan, to reinforce it during the Fifth 5-Year Plan, and then in the Sixth 5-Year Plan to be able to take off in our national development toward the achievement of a just and prosperous society," the chief of state said.

5458

CSO: 4213/537

TRANSMIGRATION FROM CENTRAL JAVA DURING THIRD 5-YEAR PLAN REPORTED

Jakarta HARIAN UMUM AB in Indonesian 27 Jul 83 p 2

[Text] The Central Java zone office of the Department of Transmigration has announced that during the Third 5-Year Plan, as of July 1983, it has resettled 39,499 families from Central Java in transmigration projects outside Java.

According to the public relations section of the zone office, this figure includes 2,696 families (8,234 persons) who engaged in spontaneous transmigration, not under a government program, during the Third 5-Year Plan, that is, between April 1979 and 23 July 1983.

Data from districts throughout Central Java show that a total of 35,463 families or 145,703 persons were relocated in transmigration projects provided by the government.

Also, 270 families from Jakarta's 1979/80 target were allocated to Central Java and resettled in the Sanggau-lido area of West Kalimantan in September of 1981, while another 127 families from Jakarta's 1981/82 target were allocated to Central Java and relocated in the Separi Sebulu area of East Kalimantan in December 1981.

The Central Java zone office also received an allocation of 120 families from West Java's targets for 1980/81 and 1981/82. These families were resettled in Cot Girek, Aceh.

Another 296 families were allocated to Central Java from West Nusa Tenggara's quota for 1981/82. These families were relocated in Toili, South Sulawesi and Lambanu, Central Sulawesi.

Central Java received another 264 families from Yogyakarta's quota for 1980/81 and 1982/83. These families were resettled in Sintang and Sanggau in West Kalimantan and in Bunta in Central Sulawesi. The Central Java zone office also moved another 263 families (1,126 persons) to locations outside Java between 18 and 23 July 1983.

5458  
CSO: 4213/537

PAPER COMMENTS ON REGENERATION PROCESS

BK290425 Jakarta KOMPAS in Indonesian 15 Jul 83 pp 1, 12

[Text] The regeneration problem has become significant because it is closely linked to political life. Moreover, no matter how you look at it, it concerns two basic factors: Pancasila and ABRI's [Indonesian Armed Forces] mission. It would be better if the process of regeneration and the emergence of younger leaders were determined by the people or members of the public in line with democracy. This is the opinion of Doctorandus [Candidate Doctor] Sumiskum, a political observer and a former deputy speaker of DPR/MPR [Parliament and People's Consultative Assembly].

Supporting Sumiskum, retired TNI [Indonesian National Army] General Sumitro has said that a leader should emerge from the bottom but not be pushed up. On civic-military relations, he stresses that in implementing its dual function, ABRI should return to its doctrine; in other words, return to its profession.

Abdurrakhman Suryomiharjo, a historian at the National Cultural Research Institute, Indonesian Council of Sciences, wonders whether ABRI's dual function can be upheld in its present form in view of the changing situation, which requires specialized knowledge for holding a certain office. He also wonders if the younger group in ABRI would want to maintain the current dual function in the future as well. In line with the opinions mentioned above, he expresses the belief that a leader usually emerges by social process.

The three prominent figures were interviewed by KOMPAS on separate occasions last week.

Sumiskum touched on and discussed the regeneration problem in a narrow sense in developing countries as well as in advanced and totalitarian ones. He spoke about leadership changes in a governmental apparatus and in a political organization.

According to Sumiskum, the two exercises are very closely related to political life. This is especially true in Indonesia. Like it or not, we are forced to touch on two quite sensitive issues: the state's ideology of Pancasila and ABRI's function.

It concerns the state ideology because a part of this nation believes that Pancasila is not yet fully perceived. Hence, the call for a sole principle [for all political parties]. Meanwhile, ABRI, in the course of history, has acquired a dual function. Besides serving as a governmental apparatus in the defense and security field, ABRI also functions in the political field and in other fields normally occupied by the civil apparatus.

Although quite a sensitive issue, Sumiskum said, the problems of the Pancasila ideology and ABRI's function could become desensitized; "namely, when we feel we are mature enough to discuss them openly," he said.

Regeneration in the sense of changing the leadership of the government apparatus and regeneration in the sense of changing the leadership of a political organization are distinctly different in nature and objectives, according to Sumiskum. The fact is that this difference has not appeared in Indonesia, although it should have. Therefore, a "political development" terminology has come up. "This is an implicit admission that our present political life does not yet meet our expectations," he added.

In firmly established countries, he continued, people do not talk about "political development." At most, people will talk about "political life" because what exists is already in line with their expectations.

Thus far, regeneration in the governmental apparatus, whether in ABRI or in the civilian department, has created no problems, Sumiskum said. What is meant here is the generation process in nonpolitical careers, such as secretary general, inspector general, director general and further down; while careers such as minister, leaders of the Supreme Audit Board and Supreme Advisory Council, governor, district officer, subdistrict officer, and down are political ones.

Since the governmental apparatus is equipped with a civil service mechanism, there are clear rulings and conditions regarding the mandatory retirement age, conditions to be met to assume a certain post, and so on. In ABRI, in particular, the regeneration process is mapped right from the outset so it can truly proceed in an orderly fashion.

According to Sumiskum, although the regeneration process in the civil apparatus has proceeded well, a special problem still remains; namely, whether the present status quo in the leadership of the civil apparatus, partly held by ABRI, should be maintained. Or whether regeneration in the civil apparatus also means that some time in the future civilians will be in charge of its leadership. "Are career posts such as secretary general, director general, inspector general and down going to be held by career officials?" he added. (At present, many of these posts are held by noncareer men--ed).

It is true that regeneration in the civil apparatus began some time later. Influenced by political life in the past when political parties were in their glory, the governmental apparatus became a bone of contention. Now,

however, according to Sumiskum, the civil administrative apparatus has become so developed that it has become a truly humble government apparatus. "Therefore, we must also think of the time in the future when ABRI and the Civil Servants Corps return to their basic missions in the government apparatus," he added.

Whereas in the government apparatus the office determines the regeneration process, it is different with political organizations, Sumiskum said. In a political organization, members hold sovereign power. Therefore, any change must be made by democratic means.

According to Sumiskum, the problem now is whether or not the political organization is prepared to be developed in such a way that it will operate in the future according to a political mechanism in which members have the final say. Leadership in such a political organization is elected from and by members in the true sense of the word. Outside forces must not be allowed to control a congress, for instance. "This is not so in normal times," Sumiskum said.

Age has no bearing in a political organization. Everything goes according to the wishes of its members. Therefore, there is a possibility that a young man will come up who has the necessary skill, charisma, and so on to become a leader. However, there is always a chance that the choice goes to an elderly man as long as his thinking, identity, and so on remain acceptable to members. "Therefore, in a political organization, regeneration does not mean that the younger generation must take over leadership. It can only happen that the younger generation must take over leadership. It can only happen if it is in line with the wishes of the members."

According to Sumiskum, one must not think that a leadership change or regeneration in the government apparatus is the same as in a political organization. "Of course not. The mechanism is different. In the government apparatus, decision making rests with the head of the office, while in a political organization it rests with the members," he stressed.

Therefore, Sumiskum said, if regeneration is going to be implemented in a political organization, political life must be developed in such a way so as to enable sociopolitical organizations to develop in line with the existing political mechanism. Once the mechanism is set in motion, it is the people or members who will eventually make the decision." This also is in line with a principle upheld by the 1945 constitution; namely, "Sovereignty lies in the hands of the people."

He said that perhaps these wishes could not yet be duly met because several factors had to be taken into consideration. Take, for instance, the attainment of a sole principle. Nevertheless, Sumiskum said, one must be aware of the fact that this nation gradually must move and take due course--toward maturity. In a sociopolitical organization, maturity means autonomy. "If we do not gradually mature, it means we are not engaged in political development," he added.

Furthermore, this is a developing country with a paternalistic and feudalistic political culture. Perhaps, because of this, the people at large accept the idea that everything is determined by the higher authority. This is different from a democratic political culture, in which sovereignty rests with the people.

"Even if it is so, it is our obligation to bring about a change so that what is stipulated in the 1945 constitution becomes reality; namely, that sovereignty lies in the hands of the people. As to when this point can be reached, Sumiskum said: "It all depends on us."

He admitted that this process would take time. "It took other already established countries decades and even centuries to reach their present status. In the Indonesian case, however, the process can move faster because the country happens to be already in an era of advanced technology and so on."

"If we consistently strive to reach our objective, we must move toward autonomy. We must not allow our political organization to move backward."

To give an example, Sumiskum touched on the difference between the training of a 5-year-old child and that of an 18-year-old youth. At the age of 5, a child must be kept mostly indoors. However, as soon as he reaches 18 and so he can mature, he must be given an opportunity to spend more time outdoors so he will grow and develop. Otherwise, he will not mature, or he will leave his parents and be on his own.

According to Sumiskum, another special aspect in discussing the subject of regeneration in Indonesia is that the 1945 generation is going to leave the arena of state activities in several years. This observation is perhaps wrong, but, Sumiskum said, having experience and participated in the revolution, the 1945 generation feels that it is "superior" to its younger counterpart because the latter never participated in the revolution. The 1945 generation, therefore, wants to preserve the very values which have generated their activities since the revolution.

Such a way of thinking is not quite correct due to two factors. First, every generation undergoes a scientific process in their development. It ages by the day. Naturally, its spirit changes. Thus, it is wrong to say that the 1945 generation retains its spirit. Second, conditions have also changed. Even the challenges are not the same. "For instance, the elders tend to frequently say: it was not that way in my time. This line of thinking is not quite right."

Thus, the way of expressing patriotism in the past was different from that at present, Sumiskum believes. "One must be aware of this. We must not force future generations to adopt our past ways of action and life. In the past, just a handshake with a girl made one happy; it is different today."

He said the 1928 generation could survive and develop; it has been the same with the 1945 generation in its time. "Therefore, I am confident that

future generations can also overcome the challenges of their times. It is for the same purpose that each generation must pass its heritage and good values to its succeeding generation so as to lessen the latter's future burden.

Meanwhile, General Sumitro conceded that it was not an easy task for one generation to relinquish its role and pass it on to the succeeding generation. The reason for this in Indonesia is that the 1945 generation was involved in the struggle for independence and the establishment of the 1945 constitution and Pancasila. The 1945 generation directly experienced the gloomy side of the struggle for the preservation of national cohesion, the 1945 constitution, and Pancasila in the face of a series of rebellions.

The anxiety of the 1945 generation in handing over its role is also caused by the lack of a system or norms concerning the training of cadres for leadership in a sociopolitical organization. Besides, the 1945 generation is also afflicted by a kind of gerontic illness [penyakit ketuaan].

"Psychologically speaking, this kind of illness is normal," Sumitro said. Therefore, he suggested that the older generation voluntarily hand over its role to the young generation. "Let them go their own way. They--the young generation--certainly know their way. Let them learn by themselves," Sumitro said.

Abdurrahman Suryomiharjo, a historian, also conceded that those in the old generation who felt themselves well established in their position naturally tried to slow down the regeneration process. "Their reason usually is an insecure future. Actually, it is rather an attempt to preserve their own status."

Sumitro also called on the old generation not to act scornfully, but to provide leadership to the succeeding generation as well as approach and protect them. To do this, the old generation must be broad-minded and mature as they were in the struggle for this country's independence and in safeguarding the country against all sorts of schisms without asking for foreign assistance.

He suggested that the old generation just write books instead of making speeches, which only invite scorn from the people. For this, freedom should be established in order to be able to write without causing any tension. In other words, the work of the old generation should not be allowed to provoke the young generation and cause a split.

Nevertheless, Sumitro reminded the young generation that it was not easy to maintain unity. "Therefore, the best thing to do is to just accept Pancasila as the sole principle. It is necessary to foster the spirit of collective action and mutual need. A beautiful [indah] art of leadership is the art of maintaining unity in diversity," he said. He also stressed the need of working as a team.

A "fight for all" [tonjok-tonjokan] will be the result if we all want to show off. It is very important to perceive democracy. "The characteristics

of a person who perceives democracy are openmindedness, an ability to listen to and appreciate the opinions of others, an ability to look for and appreciate the good side of others and an awareness that he is not all alone but in the need of the company of others," the former commander of the Order and Security Restoration Command said.

On civil-military relations in the forthcoming generation, Sumitro made it clear that in the implementation of ABRI's dual function, ABRI should just return to the principles of its doctrine, that is, to its profession.

"It is inconceivable that a Major Sumitro should be made a subdistrict head or a district head. This is just impossible because his education does not permit it," Sumitro said.

Sumitro said that in implementing ABRI's dual function, one must consider that the output capacity [preceding two words in English] of the Armed Forces Academy be limited to a considerable degree. [Jakarta KOMPAS in Indonesian on 16 July on page 12 carries the following correction/clarification to General Sumitro's last statement: "In connection with the interview on 'Regeneration is important because it is closely related to politics' published on the front page of yesterday's KOMPAS, retired Army General Sumitro wishes to correct a part of the report. The correction is as follows: 'I have no intention to suggest a limitation of the output capacity [preceding two words in English] of the Armed Forces Academy. What I meant to say was that the output capacity [in English] of the Armed Forces Academy was very much limited and that it is impossible to fill currently existing civil administrative posts. It is for this reason that an officer candidate school is established and a Reserve Officers Training Corps system is under consideration'."] "It is impossible to include in the Armed Forces Academy training program courses which enable graduates to serve as district officer, regent, and so on," he said.

He said the current ABRI occupation of government offices originated in the past. Their number is being reduced. Sumitro also hoped that to maintain harmony in the civil-military relationship in the current and future generations, ABRI's involvement in politics should be reduced as much as possible. This is meant to enhance ABRI's prestige.

Abdurrahman Suryomiharjo also touched on the possible retention of the dual function in the future. He believes the tasks to be tackled in public life will be different, each task requiring specialized know-how. Thus, each job would require specialized training.

Meanwhile, he was wondering if the younger group in ABRI wanted to continue the dual function or had the capability to continue it. One must keep in mind that the conditions would have changed. "We are obliged to build a new pattern of possibilities instead of maintaining the old ones. The old patterns will be good material for study, but each generation must be capable of developing these patterns in conformity with the progress made in the social development of its time," Abdurrahman Suryomiharjo said.

Sumitro believes that before launching a regeneration process, it is necessary to consider a system or norm for the training of cadres for socio-political forces. Once such a system or norm is established, no one can become a political leader overnight or "just like that."

Both Sumitro and Abdurrahman believe there were already rules and a system governing a regeneration among civil servants and ABRI personnel. It is no problem any more because the ladder is there, and upward mobility is based on work experience. "With political parties," Abdurrahman said, "the situation is different. There is no age limitation in both [as published] cases. A leader may be old or young. Normally, a leader emerges on the strength of social forces. It is possible that without any preparation, a young leader can make his debut on account of the steps he has taken in the face of an ongoing event."

Abdurrahman believes that it was different with the scientific society. In this field, it is unnecessary to pay attention to regeneration. A bright young man can become a college professor overnight, adding that something like that could not happen in Indonesia because in order to become a professor, one must have a relatively long work experience. The result is that in Indonesia, generally only those of relatively advanced age become professors.

According to Sumitro, in order to become a leader of a social force or a political cadre, one must have outstanding leadership abilities. Also, he must have an outstanding mind and present the result of his philosophical thinking in terms acceptable to the people.

If there is a cadre system or norm in a sociopolitical force, a series of steps may come into existence, which one must take in order to become a political leader. For instance, if one becomes a success as a member of a subdistrict legislative assembly, he may be nominated to sit in a provincial legislative assembly and, eventually, in the Parliament.

Besides, Sumitro said, a system designed for electing a leader should not only apply to those at the center or in Jakarta. A search for potential leaders must be extended to the provinces. "No privileges should be given to Jakarta, meaning one can become a leader overnight just because he is in Jakarta. This may not happen!" he said.

He stressed that in selecting cadres under the system, one must keep in mind that Indonesia consisted of many islands. One should not create the impression that a leader should only be drawn from Jakarta. Therefore, all sociopolitical forces must give serious thought to the setting up of a norm or plan under which to select and train cadres. Leaders of socio-political forces must not limit their thinking to how to become a cabinet minister, governor, district officer, and so on.

Still on the subject of regeneration, Sumitro recommended that before being appointed a cabinet minister, one should first become a parliament member "so that on becoming a minister he can appreciate the post of a people's representative," he said.

However, doesn't this way create the impression that parliament is a stepping stone for becoming a minister or that the rank of parliament member is below that of minister? It is Sumitro's opinion that in order to avoid such an impression a minister should return to parliament upon termination of his office tenure.

One will become a very good sparring partner [preceding two words in English] of the government after serving parliament as a member. "How good would it be if someone who has had experience in the government subsequently becomes a people's representative in parliament?"

Sumitro regrets that after relinquishing a ministerial post, one becomes a [?DPA] [Supreme Advisory Council] member. It would be better if he became a parliament member or join Golkar [Functional Group]. "But, unfortunately, Golkar's status has not yet been raised so as to enable it to serve as a true political base. Therefore, it has been avoided, and former ministers were seated in the DPA."

CSO: 4200/792

LOAN GRANTED FOR STEEL SHEET PLANT CONSTRUCTION

Jakarta KOMPAS in Indonesian 1 Jul 83 pp 1, 9

[Article: "\$552 Million Loan Signed"]

[Excerpts] Construction of a light steel sheet plant which has been deferred for over 4 years finally will be carried out. Work on the plant can begin now that a \$552 million (about 535 million rupiahs) syndicated loan has been received to finance the construction of the plant owned by Pt CRMI (Cold Rolling Mill Indonesia Utama). The project is a joint venture entered into by the government and private business, with a total investment of \$800 million (776 billion rupiahs). It is not subject to rescheduling.

The syndicated loan was signed on Thursday [30 June] at the Mandarin Hotel in Hong Kong. It consists of \$240 million in French export credits, \$94 million in Spanish export credits and a project financing facility of \$218 million. The project financing facility consists of seven banks which are to act as "lead manager," namely, Bank Negara Indonesia 1946, Asian Pacific Capital Corp, Banco Exterior de Espana, Credit Commercial de France, Banque Paribas, Mitsubishi Bank and the State Bank of India.

PT CRMI is a PMA (foreign capital investment) joint venture between the state-owned companies, PT (Pesero) Krakatau Steel and PT Kaolin Inda Utama which hold 40 percent of the shares, and the foreign company, Sestiacier SA of Luxembourg, which holds 20 percent of the shares. Of the total \$800 million investment, \$552 million comes from the syndicate and the remainder comes from the three companies.

Somala Wiria, executive director of the Bank Negara Indonesia 1946, told newsmen that the loan was not guaranteed by the Indonesian Government. The confidence of the international bankers in Indonesia's economic development constitutes the basic guarantee for the loan. Another guarantee is the group of Indonesian companies that are joined in PT CRMI. At the present time they are a strong group of companies in Indonesia.

Those who signed for the loan for PT CRMI are Soedono Salim (Liem Sioe Liong), Djuhar Sutanto and Engineer Ciputra. Those who signed for PT Krakatau Steel are Executive Director Tungky Ariwibowo; for Pt Kaolin Indah Utama they are

Sudwikatmono and Anthony Salim, while Paul J. Bush signed the loan agreement for Sestiacer SA.

Two other groups of companies strengthened the guarantee for the loan. The first, Pt Bogasari Flour Mills, was represented at the signing by Soedono Salim, Ibrahim Risjad, Albert Halim and Tedy Djuhar. The second, PT Metropolitan Kencana, was represented by Engineer Ismail Sofyan and Engineer Budi Brasali.

Those who granted the syndicated loan were represented at the signing by HW Tehubijuluw, head of a Bank Negara Indonesia 1946 branch, and the leadership of six other banks which jointly constitute the "lead manager."

For the project financing facility, there are other managers (other loan grantors) beside the "lead manager." They are Banque de L'Union Europeene SA, Banque Worms SA, Credit Lyonnais SA, Midland Bank PLC and Orion Royal Pacific Ltd.

The \$218 million loan carries an interest rate of 1.25 percent on top of the London interbank rate (the London interbank offered rate). The period of the loan is 10 years with a grace period of 54 months.

The annual interest rate for the French export credit of \$240 million is 8.75 percent, with a loan period of 10 years and a grace period of 48 months. The \$94 million Spanish credit carries an annual interest rate of 8.75 percent, with a 10-year loan period and a 48-month grace period.

Tungki Anbowo [as published], the PT CRMI executive director who also is the executive director of Pt Krakatau Steel, said the country will save \$500 million a year with the construction of the light steel sheet plant. This amount of money has been expended to import such steel sheets.

The light steel sheet plant, which will begin production in the final quarter of 1986, will have an annual capacity of 850,000 tons. Requirements for light steel sheet in 1985 are expected to amount to 1.06 million tons and by 1990 to rise to 1.58 million tons.

The basic material for the plant is heavy steel sheet, to be supplied by PT Krakatau Steel which was inaugurated by President Suharto at the end of February. CRMI's annual requirement for the basic material will be 950,000 tons or 95 percent of the heavy steel sheet plant's capacity. Light steel sheet can be used to manufacture automobile bodies, roofing, office filing cabinets and so on.

The primary contractor for the construction of PT CRMI is a consortium of four companies: Secim SA, Creusor Loire, Equipments Sideurgiques (all of whom are French companies) and Espanola de Coordinacion Tecnica Financiera SA of Spain.

Production technology is to be furnished by the United States and is to be supervised by U.S. Steel as its manager while engineering design is to be furnished by France. The project is a turnkey project.

According to information obtained by KOMPAS, the construction of this light steel sheet plant has been deferred for 4 years. The plant should have been completed when the heavy steel sheet plant was completed. Because of the delay in the light steel sheet plant's construction, the heavy steel sheet now being produced by PT Krakatau Steel cannot be used directly by Indonesian downstream industries such as automobile plants.

Heavy steel sheet produced by PT Krakatau Steel is exported to Japan for fabrication and then, because Indonesia needs light steel sheet, such sheets are reimported from Japan.

The cost of constructing the heavy steel sheet plant was only 22.6 billion rupiahs, with a labor force of 380. Construction costs for the light steel sheet plant are far different. About 776 billion rupiahs will be expended, using a planned labor force of 1,600. It is, of course, very capital intensive.

PT Krakatau Steel now has reinforced concrete, profile steel, billet, wire rod and pipe plants. A slab plant with an annual capacity of 1 million tons, a heavy steel sheet plant with an annual capacity of 1 million tons, and a sponge iron plant with 1/2 million-ton capacity were built in the second construction phase. With the completion of the light steel sheet plant, PT Krakatau Steel will be able to produce steel at all levels, namely, upstream sponge iron will be produced in a plant that processes iron ore, which then will be processed in the slab plant, then turned into heavy steel sheet and finally into light steel sheet which will be distributed to downstream industries.

Because the steel project is a strategic one, most upstream capital comes from the government. The middle industry (the light steel sheet plant) is financed through the joint venture with private capital while financing of downstream industries is left to the private sector. The Pulogadung Industrial Zone is expected to become a steel center capable of fabricating products upstream to downstream.

One of the reasons for the delay in the construction of the light steel sheet plant is that initially PT Krakatau Steel planned to cooperate with Nippon Steel of Japan.

The Japanese kept postponing the project arrently because they did not want Indonesia to have its own light steel sheet plant.

The Japanese light steel sheet industry is the largest in the world and the least expensive. Nippon Steel's annual production, which once reached 120 million tons, now rests at 80 million tons. If Indonesia no longer imports light steel sheet from Japan, the Japanese market for such sheet will be reduced by about 1 percent.

GAMALAMA VOLCANO ON TERNATE ISLAND ERUPTS

BK091307 Hong Kong AFP in English 1250 GMT 9 Aug 83

[Text] Jakarta, 9 Aug (AFP)--Gamalama Volcano on Ternate Island erupted today, hurling thick black smoke and fire 1,500 m (4,950 feet) high, pouring hot lava down its northern side and sending some 6,000 villagers off its slopes, a northern Maluku Regency official said today.

ANTARA News Agency quoted the regency head as saying that villagers closest to the volcano had been awakened by its 4:45 am (1945 GMT) explosion and rushed outside to see black smoke rising from Mount Gamalama and red hot lava streaming down its slope. Other residents of the 67,000-population of the northern Moluccas island panicked as a rain of ashes began covering the area, including the Babulla airport which was closed as a result, ANTARA said. [Sentence as received]

Lava destroyed scores of houses and plantations, the evening SINAR HARAPAN reported.

The Search and Rescue Service (SAR) here has reported no casualties so far. It said nearby ships were called to help in an expected evacuation off the island.

The 6,000 evacuees fled to the town of Ternate this morning from the most threatened area on the volcano's western slope, SINAR HARAPAN quoted the northern Maluku Regent Royani as saying.

Meanwhile SAR said five villages were said to be directly threatened by the eruption but did not say whether the 6,000 had come from those villages.

A team from the Volcanological Institute in Bandung left to observe the mountain today, SINAR HARAPAN said.

The volcano last erupted 3 years ago, causing some 35,000 people to evacuate.

Meanwhile Mount Colo on the tiny Unauma island in the Gulf of Tomimi in the central Celebes erupted again at 8:35 am (0035 GMT) today. Grey smoke was seen covering the volcano as high as 3,000 m (9,900 feet). It has erupted several times in the past month.

Six active volcanos in the north Celebes and northern Maluki region are under observation, the head of the provincial mining and energy department Kamagie was quoted as saying.

CSO: 4200/792

INDONESIA

BRIEFS

GEOTHERMAL ENERGY PROJECT--Jakarta, 1 Jul (ANTARA/OANA)--Indonesia's capacity to produce electricity from geothermal energy will increase by 110 mw in 1987 when its Gunung Salak geothermal project is expected to become operational. Exploratory and drilling activity are now going on at the Gunung Salak site, about 125 kilometers south of Jakarta in the Sukabumi Regency, West Java. Energy and Mines Minister Subroto Thursday inspected the Gunung Salak site where two wells with a capacity of three and four mw respectively have already been drilled. Samaun Samadikun, director general of energy, Ministry of Mines and Energy, said on the occasion if everything goes according to schedule Indonesia's installed geothermal capacity would reach 305 mw during the fourth 5-year plan (1984-89). The total capacity during the fourth plan would consist of 110 mw from the Kamojang project (Indonesia's first geothermal plant commissioned in January 1983 with an initial capacity of 30 mw), 110 mw from the Gunung Salak project, 55 mw from the Dieng (Central Java) and Darajad (West Java) projects combined, and 30 mw from the Lahendong (North Sulawesi) project. [Excerpt] [Jakarta ANTARA in English 0937 GMT 1 Jul 83]

LNG EXPORTS TO DOUBLE--Indonesian LNG exports, which now total 9.8 million tons a year, are expected to double by 1986, Pertamina's president director stated at the closing ceremony of an oil and gas management course in Jakarta yesterday. Meanwhile, Minister of Mines and Energy Subroto, who was also present at the ceremony, said there were many challenges being faced by Indonesian crude oil and natural gas. Aside from the fact that the recovery of the world economy was still unpredictable, there was strong competition on the international markets with the emergence of new oil producers. [Summary] [Jakarta International Service in English 0800 GMT 14 Aug 83 BK]

CSO: 4200/799

KAMPUCHEA

BRIEFS

W. LEACH BATTLEFIELD CASUALTIES -- In July, our comrades-in-arms on the western Leach battlefield killed 171 Vietnamese enemy soldiers and wounded 162 others for a total of 333 casualties. In the field of primitive weapons production, our comrades-in-arms made and planted 1,565,000 punji stakes and dug 790 punji pitfalls. Long live our valiant and courageous national army, guerrillas, and people of the western Leach battlefield! [Text] [BK100645 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 9 Aug 83]

PREAH VIHEAR COMPANY POST--On 4 August, our national army and guerrillas successfully attacked and destroyed a Vietnamese company position at Trayang village, Kulen District, Preah Vihear Province. We killed 18 Vietnamese enemy soldiers and wounded 27 others for a total of 45 casualties. We destroyed an assortment of 25 weapons, 15 barracks, a storehouse containing 200 bags of rice and salt, a telegraphic machine, and quantity of materiel. We seized 4 M-72's, 9 AK's, 2 CK's, an AR-15, 7 M-79 grenades, 7 cases of AK ammunition, 50 B-40 rockets, 45 B-41 rockets, 20 hand grenades, 5 claymore mines, 40 rucksacks, a map, and a quantity of documents and other materiel. We liberated and completely controlled this position. Long live our valiant and courageous national army, guerrillas, and people of the Kulen District, Preah Vihear Province! [Text] [BK110319 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 10 Aug 83]

SAMLOT BATTLEFIELD CASUALTIES--In July, our comrades-in-arms on the Samlot battlefield killed 144 Vietnamese enemy soldiers and wounded 178 others for a total of 322 casualties. In the field of primitive weapons production, our comrades-in-arms made and planted 920,000 punji stakes, dug 3,400 punji pitfalls, and set 500 automatic bows. Long live our valiant and courageous national army, guerrillas, and people of the Samlot battlefield! [Text] [BK110329 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 10 Aug 83]

SIEM REAP-ROUTE 6 BATTLEFIELD--Last July our comrades-in-arms of the Siem Reap-Route 6 battlefield killed 239 Vietnamese enemy soldiers and wounded 230 others. They made and planted 40,000 punji stakes and dug 300 new punji pitfalls. Long live our valiant national army, guerrillas, and people of the Siem Reap-Route 6 battlefield! [Text] [BK160115 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 15 Aug 83]

SANTUK DISTRICT AMBUSH--On 30 July, our national army and guerrillas ambushed a Vietnamese boat between Boeng Khvek and Thnaot Chuo in Santuk District, Kompong Thom Province. We sank the boat and killed 25 Vietnamese soldiers on board and wounded 10 others for a total of 35 casualties, including a sub-lieutenant killed. We destroyed all the weapons and materiel in the boat. Long live our valiant and courageous national army, guerrillas, and people in Santuk District, Kompong Thom Province! [Text] [BK120154 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 11 Aug 83]

VIETNAMESE COMPANIES AMBUSHED--On 5 August, our national army and guerrillas ambushed three Vietnamese companies at (Chuon Kre) that were moving from (Ampuk Leu) to (Ampuk Kraom) positions on Samlot battlefield. As soon as the Vietnamese enemy entered our ambush, we opened fire, killing 11 enemy soldiers and wounding 17 others for a total of 28 casualties. The remaining soldiers fled back. We destroyed a B-41 rocket launcher, an AK, and a quantity of materiel. We seized an RPG machinegun, 2 loaders, 18 B-41 rockets, 1,845 rounds of AK ammunition, 12 AK loaders, 6 handgrenades, 2 mines, 15 rucksacks, 20 canteens, 5 hammocks, a quantity of documents, and other materiel. Long live our valiant and courageous national army, guerrillas, and people of the Samlot battlefield! [Text] [BK120159 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 11 Aug 83]

SRV LOSSES IN BATTAMBANG--Last July, our comrades-in-arms on the Sisophon-north of Route 5-Thmar Puok battlefield killed 76 Vietnamese enemy soldiers, wounded 126 others, made and planted 550,000 new punji stakes and dug 540 punji pitfalls. Long live our valiant courageous national army, guerrillas and people on the Sisophon-north of Route 5-Thmar Puok battlefield! [Text] [BK140909 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 13 Aug 83]

KAMPOT RAILROAD HIT--On 2 August our national army and guerrillas cut a portion of the Vietnamese railroad 50 meters south of Tram Sasar railway station, destroyed a 13-meter bridge on the railroad, and dug two pits along the railroad. Each pit is 1-meter deep and 2 meters wide. Long live our valiant national army, guerrillas, and people of Tuk Meas District, Kampot Province! [Text] [BK131040 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 12 Aug 83]

KOMPONG CHHNANG GUERRILLA ATTACK--On 29 July our national army and guerrillas attacked an office of the Vietnamese experts on the railway line in Toek Phos District, Kompong Chhnang Province. As a result of the ensuing 15-minute battle, we killed 2 Vietnamese soldiers and wounded 6 others. We also destroyed 15 AK's, 5 AR-15's, 2 carbines, a power tiller, and 6 military barracks, and seized 4 AK's, an M-79, a carbine, 400 rounds of AK ammunition, 9 M-79 grenades, and a radio receiver. We cut the railway at seven points, totaling 200 meters in length. Long live our valiant national army, guerrillas, and people of Toek Phos District, Kompong Chhnang Province! [Text] [BK130956 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 12 Aug 83]

JULY BATTLEFIELD ACTIVITIES--Last July, our comrades-in-arms on the Sisophon-south of Route 5-Mongkolborei-Bavel battlefield killed 190 Vietnamese soldiers and wounded 229 others for a total of 419 casualties. Concerning primitive weapons production, our comrades-in-arms made and planted 770,000 new spikes and dug 7,000 new punji pitfalls. Long live our courageous and valiant national army, guerrillas, and people on the Sisophon-South of Route 5-Mongkolborei-Bavel battlefield! [Text] [BK130805 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 12 Aug 83]

SRV POSITION IN CHHEP--On 5 August, our national army and guerrillas attacked, liberated and occupied a Vietnamese enemy platoon position at (Phnum Thnea), Chhep battlefield. We inflicted 12 casualties on the Vietnamese enemy, while the rest of the Vietnamese troops fled the position. We completely liberated and occupied the (Phnum Thnea) position. Long live our courageous and valiant national army, guerrillas and people on the Chhep battlefield! [Text] [BK130943 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 12 Aug 83]

PAILIN-ROUTE 10 BATTLE RESULTS--In July, our comrades-in-arms on the Pailin-Route 10 battlefield killed 226 Vietnamese enemy soldiers and wounded 293 others for a total of 519 casualties. In the field of primitive weapons production, our comrades-in-arms made and planted 2.7 million punji stakes and dug 900 punji pitfalls. Long live our valiant and courageous national army, guerrillas, and people of the Pailin-Route 10 battlefield! [Text] [BK120150 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 11 Aug 83]

GUERRILLAS CUT RAILROAD--Our national army and guerrillas cut the railroad between Kbal Khmaoch and Thmar Koul at 54 points for a total length of 1.35 km on 6 August. Long live our valiant national army, guerrillas, and people of the Sisophon battlefield south of Route 5! [Text] [BK170629 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 16 Aug 83]

CSO: 4212/56

ARTICLE CLAIMS U.S., PRC COLLUDING AGAINST INDOCHINA

Vientiane PASASON in Lao 13, 14 May 83

[Article: "Behind Chinese-American Cooperation"]

[13 May 83 p 3]

[Text] The two words "paper tiger" have implications for Chinese-American friendship. Sometimes readers have had questions about the period before 1970 when the Chinese attacked the United States in their propaganda as the chief imperialist, as a paper tiger, as a large fierce animal in the world outside China, as raiding soldiers. Chinese officials took up their rifles, mounted bayonets and stabbed the picture of the American President in the Thian-an-Moen (the Gate of Heavenly Peace at the royal grounds in Beijing). But now they honor the "paper tiger" as an ally. Does this mean that China has turned 180 degrees? No, China has not changed at all. Have the imperialistic Americans changed? No, America has not changed at all.

In order to understand this one must reconsider history. In January 1945, before the founding of the People's Republic of China (1949), General Wedemeyer, the American chief of staff at Chongping (China), received word that Mao Zedong and Zhou Enlai were preparing to visit Washington to exchange views with President Roosevelt (according to FOREIGN AFFAIRS October 1972). In January 1946, at a meeting with General Marshall, a special envoy of President Truman, Zhou Enlai derided the report that Mao Zedong had visited Moscow and he also told him that Mao would like to visit America in order to "learn about many useful things" (according to the WASHINGTON POST, May 1972). Zhou Enlai also said that the leading committee of the Chinese Communist Party intended to introduce "democracy" and "free enterprise" as in America to build socialism in China as the "final goal." Mr Waiting, an American professor doing research in China, reported that in 1946 Zhou Enlai said unequivocally to Marshall that the Chinese communists would rely on America while using "some country" (meaning the Soviet Union) as its model. He said indirectly that the Mao group intended to steer the middle course between the Soviets and Americans but at the beginning would lean toward America.

At the end of the 1940's Mao declared that "relations" between the Chinese people and the American people "might become very close in the future."

These statements of the Mao group were not just talk; on the contrary these were their intentions.

And so the American Government at the time of President Truman sought a nationalist sympathizer in the leadership of the Chinese communists in order to maintain America's role in China no matter which side won the civil war. In April 1945, the American State Department distributed a memorandum recommending that the United States pursue a conciliatory policy in order to guarantee that America would be able to cooperate with whichever group seized power in China.

Professor Burnett confirmed this when he said that at that time "Washington's recognition of the Red Chinese regime was only a matter of time."

If this was the case why did China and America take so long to recognize one another? Because of the international situation. The development of the world revolution had an effect on the Chinese Communist Party and for a long time it caused a number of internationalists to be in the Chinese party. In addition, in the 1950's China was interested in a treaty of friendship, peace, and mutual assistance with the Soviet Union which is the reason why the Chinese had to cooperate with the Soviet Union and other socialist countries.

The Korean war was an important period. It was an armed conflict between China and America. This war caused a rift between Beijing and Washington for a long period. Nevertheless, in 1955 talks started concerning diplomatic relations between the People's Republic of China and the United States (the first was in Geneva and then they were in Warsaw) and lasted until 1970. There were 136 meetings. They were suggested by the Chinese, who were interested in the talks. The Chinese made the suggestion to the Americans at the 1954 Geneva Conference on Indochina.

That "friendship" between Beijing and Washington is based on words alone is clear. These words show that Beijing's political policy is not clear or understandable. In the 1950's the magazine AMERICA reported that China sought talks with America but these attempts failed; the former secretary of state refused (WASHINGTON POST 24 February 1973).

In January 1965, Mao Zedong betrayed Vietnam. One month before America was to bomb Vietnam, Mao told Edgar Snow, who was visiting China, that if America invaded Vietnam, China would not get involved in the war (NEW REPUBLIC, 10 January 1965). As already reported, after that Beijing refused to go along with the Soviet suggestion to cooperate to protect Vietnam and slandered the Soviets as revisionists, etc. Because of what Chairman Mao said, the NEW YORK TIMES wrote that "Now America feels that it is free to attack at will in northern Vietnam by air, sea and land." (NEW YORK TIMES, 2 March 1965) By forcing the Vietnamese people to follow the course of a "people's war" and "depending on one's own forces," Beijing clearly showed America that China was doing everything to widen America's involvement. China wanted a Soviet-American conflict so that it would become the world leader.

When the U.S. Air Force was bombing heavily and insanely in northern Vietnam and the "Green Beret" soldiers with the Saigon puppet soldiers were attacking

secretly in southern Vietnam, China seized the weapons, equipment and even the tickets which the Soviet Union sent through China to aid Vietnam. Beijing also revealed Vietnam's secrets to America--even things the CIA did not know, especially concerning the Soviet military aid to Vietnam. Mr W. Zorza wrote that these secrets "were clearly not known to the CIA even though their agents were active day and night along the roadway at the border." (THE GUARDIAN 5 May 1966) Not long afterwards it was mentioned in the newspapers that "diplomatic relations have been indirectly established between Beijing and Washington" and for the first time the United States was rushing to sell millions of tons of grain to China. (THE EVENING STANDARD, London 31 May 1961) By these acts China showed to the whole world that its opposition to America was just a sham.

In December 1970, when meeting with Edgar Snow, Mao said he was ready to welcome Richard Nixon. In April 1971, the 15-man American Ping-Pong team came to compete in China, and this was popularly known throughout the world as "Ping-Pong diplomacy." Zhou Enlai himself said that the visit of the American Ping-Pong team "would open the way for friendly relations between the people of the two countries."

[14 May 83 p 3]

[Text] In July 1971, in response to the secret invitation of Zhou Enlai, Henry Kissinger visited China secretly and 5 days later it was reported that Nixon would visit China before May 1972.

The "rapprochement" between China and America, dependent as it was on mutual opposition to socialism, the independence of the Lao, Vietnamese and Khmer peoples and other progressive people, happened quickly because Beijing initiated it.

The talks in Shanghai between Zhou Enlai and Nixon were not just a betrayal of Vietnam but were also a betrayal of the Chinese people especially since Beijing gave in to Washington over the Taiwan problem.

The bargaining between Nixon and the Mao Zedong-Zhou Enlai group was also a betrayal of the resistance movements, the developing countries, and the people who placed their trust in "revolutionary China." The magazine NEW AFRICA felt that the agreement between Nixon and Beijing was evidence that the Mao clique had betrayed the interests of the small countries and those which China had exhorted to resist the imperialism in Asia, Africa, and Latin America. This magazine also stressed that Washington and Beijing had decided to divide Asia into spheres of influence for themselves.

The policy of opposition to the Soviets and socialism and attempting to weaken popular revolutions as well as the desire for world domination is the basis for the "rapprochement" between Beijing and Washington. This policy is becoming an ever firmer part of the relationship between the Beijing leadership and the government of Gerald Ford and Jimmy Carter. From this policy President Carter recommended to Congress a law giving China special trade privileges. In June 1980, Mr Holbrook, the assistant secretary of state, announced that Washington had conferred "distant but equal" status on both

the Soviet Union and China. Actually the development of the relationship with China meant that America was playing its "China card" to thwart the Soviets.

Ye Jianying, president of the Standing Committee of the Chinese Peoples Congress reported on foreign policy 29 September 1979, the 20th anniversary of the founding of the Chinese People's Republic, as follows: "Since 1970 in accordance with Comrade Mao Zedong's Thought on the Third World, we have built international solidarity with all forces we have been able to."

This "thought" means that there is solidarity with all forces opposing the Soviet Union especially with the imperialists and their lackeys, primarily the American imperialists, in order to resist at the highest level the policy of the lessening of tension and peaceful coexistence.

The conspiracy between the Americans and the Chinese is clear in their opposition to the people of Laos, Vietnam and Kampuchea. While Deng Xiaoping was visiting the United States he said that China would invade Vietnam and 15 days later Beijing sent masses of soldiers to attack the border of northern Vietnam. This was done with Washington's approval. America and China have conspired to encircle Vietnam and this year Beijing will attack Vietnam's border again and will try to destroy the special solidarity of Laos-Vietnam-Kampuchea which is a long-term relationship of cooperation to resist the enemy together.

Washington and Beijing also blocked the conference between the ASEAN countries and the countries of Indochina and tried to make ASEAN a military organization. They sought to block the peace proposals of the foreign ministers of the Lao Peoples Democratic Republic, the Socialist Republic of Vietnam and the Peoples Republic of Kampuchea, especially the proposal of Mr Phoum Sipaseut, the foreign minister of Laos, to make Southeast Asia an area of peace, stability and cooperation according to the highest aspirations of the people of the area.

Now the Beijing hegemonists are conspiring with the American imperialists on all sides. This does not mean that China or America have changed but it indicates that for some time the strategic thinking of Beijing and Washington has been based on opposition to the Soviets, socialism and socialist revolution. Earlier China slandered the Soviet Union saying it conspired with the American imperialists. Now the Beijing hegemonists have shut up about that.

Never in the history of the world has there been such treachery and never in the history of the communist and international workers movement has there been such excessive opportunism or treachery.

8149  
CSO: 4206/72

COLUMNIST DENIGRATES SHIPMENT OF U.S. WEAPONS TO THAILAND

Vientiane PASASON in Lao 2 Jun 83 p 3

[ "Talking Together" column: "Special Guests Arrive in Thailand" ]

[Text] Everyone already knows that last April two giant U.S. transport planes arrived at Don Muang Airport (Bangkok) after flying 20 hours straight from San Francisco. The people who were present at the airport to welcome them were all high officials of the Thai government, e.g., military leaders.

Which nation's leaders travel to Thailand by such airplanes? But while people were asking each other these questions, they saw workers carry many U.S. 155 mm howitzers from the tail ends of the planes.

Why do high Thai officials consider these howitzers in the "special guests" category? Strangely enough, the reasons are as follows.

We all know well that many years ago Thai soldiers used to enter Laos and South Vietnam as evil U.S. mercenaries, but they never had a chance to get their hands on heavy artillery. This is the first time they had a chance "to see with their eyes and touch with their hands." The United States had sent them because they had helped the exiled Kampuchean reactionaries and, consciously remembering that these "kings of the battlefield" once followed the U.S. soldiers in South Vietnam, this made the Thai warlords in power-holding circles very happy. They immediately opened a news conference right where the landing was and praised the strength of this artillery that is able to fire as far as 27 km. The U.S. and Chinese ambassadors who were sitting in the back clapped their hands, applauding continuously.

Being infatuated by the U.S. dollars and artillery the war-thirsty military group in the Thai power-holding circle forgot that these "kings of the battlefield" were forced to close their mouths 7 years ago because their armies were routed, over 500,000 U.S. military were routed, and there was a complete surrender of [almost] over 1 million puppet soldiers to southern Vietnam.

Though they praised them as their "special guests," this old-fashioned 155 mm artillery will not be of much use in terms of the ideas of the Thai military and the routed Khmer soldiers, along with all levels of "Khmer political reactionaries," who have been carrying sacks scavenging for food like parasites and hiding in foreign countries.

OFFICIAL HOLIDAYS NOTED IN RESPONSE TO QUERY

Vientiane VIENTIANE MAI in Lao 2 Jun 83 pp 2, 4

[ "Conversation With the Editor" column]

[Excerpt] [Question] I would like to ask you the following question.

1. Whenever there are [Buddhist] holidays (e.g., annual festivals), will there be government holidays as well? Sometimes we do not see any orders on this matter and sometimes the majority of our cadres still do not understand. What is the truth of this? How many holidays are there? Thank you. A cadre.

[Answer] Dear comrade who uses the name "cadre." In your query, if you remember the plenum of the Council of Ministers issued before, there will not be any confusion. In fact, this matter should not be unclear to you because the content of the order is clear. In the past, we also saw the same phenomena, for example, at any annual festival, e.g., the 1 May and New Year festivals, etc. our cadres often debated this endlessly with each other. Some organization levels do not know how to decide on the matter. Thus, they asked each other back and forth. When the day came some went to work and some did not. All of this happened because our cadres have not yet firmly grasped the order concerning official holidays.

In order to make this matter clear, we would like to discuss this with you, based on the order of the Council of Ministers, the official weekly holidays, taking days off, and annual holidays, and based on what has been correctly carried out, as follows.

The following holidays are considered official holidays that have already been scheduled in the national calendar. Each government employee will have holidays on those days and will receive the same salaries they normally do.

Official Yearly Holidays (Festivals)

1. International New Year (1 day) on 1 January every year
2. Songkan [Water] Festival National Holiday (2 days), (the lunar cycle)
3. International Labor Day ( $\frac{1}{2}$  day),  $1\frac{1}{2}$  days (1 May and the afternoon of 30 April every year)
4. National Day on 2 December (2 days), 2 and 3 December every year
5. Military Day (1 day), 20 January every year, for military only.

If these holidays fall on a Sunday, there will not be any make-up day.

All of the above were written in plenum of the Council of Ministers. We hope you understand when you read this, and no longer need to discuss it. Thank you.

9884  
CSO: 4206/87

BULGARIAN-AIDED PIPE FACTORY DESCRIBED

Vientiane PASASON in Lao 28 May 83 p 2

[Article by Douanglati: "Pipe Factory To Serve Irrigation"]

[Excerpt] On the day I arrived the pipe production and water pump repairs factory under the Ministry of Agriculture, Irrigation and Agricultural Co-ops impressed me as I had expected. When I arrived there stood gracefully a large massive building enclosed with powerful machinery in Nasaithong District, Vientiane Province.

If anyone has a chance to see this factory, he might understand what Comrade Diang Sithilat told me when we spoke that day. The first thing he talked about was the revival of this factory. In order to respond to efforts to increase domestic agricultural production and to expand, the Ministry of Agriculture, Irrigation and Agricultural Co-ops gave them capital for constructing this factory which was completed in 1981. The factory consists of different machinery, for example, for cutting metal sheets, rolling up metal, cutting and drilling metal, and for testing strength. There are machines to clean machinery, repair and check pumps, wind up dynamos, and thermal-treat dynamos.

After successfully installing the machines in each section the Irrigation Department assigned 35 cadres to be responsible for management and specialized task training on the job so they would be experts under the technical assistance from the Bulgarian experts. After 3-4 months of learning from the Bulgarian experts our Lao workers understood and grasped their lessons. All of them attentively learned excellent lessons and were able to fundamentally raise the level of machine usage skillfully in all sections.

Comrade Diang Sithilat also proudly talked about the production of the factory. It is true that our factory has just been newly built and improved. However, when you look at the actual production they achieved within the 5-month period from the beginning of November 1982 to the end of March 1983, they were able to raise the actual production level. For example, they produced a total of 71 pipes of small and large sizes and 7 extra sets [of pipes]. Moreover, they also produced one 80 x 100 water tank, that can contain 4,000 liters of water, and four 120 x 20 tanks. They also built four water pump boats. Along with this production the workers also got a broken-down vehicle, added a Kubota engine machine and produced a generic small car to be used to haul water pumps. They produced two pressure-run water pumps which are able to pump 5 liters of water per minute.

STATE ELECTRIFICATION OFFICIAL REPORTS ON PRODUCTION

Vientiane PASASON in Lao 31 May 83 pp 1, 4

[Article: "Expansion of the Lao State Electrification Enterprise"]

[Excerpt] According to the speech of Mr Khammon Phonkeo, chief of the Lao State Electrification Enterprise, in the summary ceremony on 28 May, with the absorbing of the party and government policies, the plenum of the third party congress, and also the plenum of the politburo concerning improving and increasing economic management, in the past the cadres and workers throughout the Lao State Electrification Enterprise decided to struggle to complete their work in many aspects. For example, the enterprise management and production produced 910,551,200 kWh [from May 1982]. This exceeded the plan by 14.6 percent. They successfully inspected and repaired the Nam Ngum electric generators Nos 1, 2, 3 and 4 as planned. They were able to effectively insure the technical situation; successfully inspected and repaired the 115,000 volts of the transmission system from the Nam Ngum Dam to Phon Tong-Tha Na Leng as planned; guaranteed and sent high voltage electricity as normal; expanded 48 km of medium-high voltage and low voltage electricity networks to serve the production bases; sent electricity into 300 new homes, installed electricity in 10 factories; successfully installed electricity to be used in water pump production in 3 places; and gave revenues to the [state] budget exceeding the plan by 15.6 percent.

For the base construction they started rural electrification in the Vientiane plain, which is now 30 percent completed. They started to install electric generator No 5 in the third phase of the Nam Ngum Dam in 1982 which is to be completed at the end of 1984. The rural electricity construction from Savannakhet to Outhoumphon District is now 60 percent completed and is expected to be finished in 1983. Now the Lao State Electrification Enterprise is about to start repairing the Nam Dong hydroelectric dam in Luang Prabang Province and the Se Labam hydroelectric dam in Champassak Province.

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CSO: 4206/87

## BRIEFS

**UNHCR ASSISTED PROJECTS**--The project of the workers of the second irrigation construction company to build a pumping station on the Khammouan Province side of the Sebangfai River at Hatsiangdi Village, Hatsiangdi Canton, Nongbok District was begun early in January 1983. Now the work is 80 percent complete. It is estimated that it will be complete at the end of the growing seasons and will be ready for the dry season rice in the dry season of 1983-84. They worked hard during the past 5 months and finished setting up the pumping equipment and building the water inlet which is made of reinforced concrete. They poured 40 cubic meters of concrete, drove 12 piles and cleared 8,650 square meters of land. In addition the workers of this construction company got together with the people of the various villages of Hatsiangdi Canton and dug a 3,200 meter channel to their fields. Comrade Suvan Silichamphon the head of the Irrigation Construction Project which is affiliated with the Ministry of Construction reported that: the current construction of this pumping station is one of two construction projects for the Sebangfai in the state's first 5-year economic development plan. It is being accomplished with funds from the United Nations High Commission for Development through the Mekong Development Organization. The projects consist of 2 pumps each of 200 horsepower. On completion the project will be able to pump water to 450 hectares of dry season ricefields in the Khammouan Province side of the Sebangfai valley. Construction of the second pumping station will begin in the dry season of 1983-84 at Tonhen village, Ban Ven Canton Uthumphom District, Savannakhet Province when the survey has been completed. [Text] [Vientiane PASASON in Lao 14 May 83 p 1] 8149

**BULGARIAN GIFT TO LFNC**--On the morning of 12 May there was a ceremony at the office of the Lao Front for National Construction [LFNC] at which assistance was presented by the Bulgarian National United Council to the LFNC.

Mr Todor Netsov the ambassador of the Bulgarian Peoples Republic in Laos made the presentation and Mr Thitmuansao Chanthala a member of the party Central Committee, a member of the Standing Committee of the Peoples Congress and the head of the Lao Front for National Construction received the assistance. At the presentation, Mr Todor Netsov said . that the assistance contributed to the growth of solidarity and cooperation between the parties, states and people of the two countries as well as to their united front. In receiving the assistance, Mr Thitmuansao Chanthala expressed his appreciation to the Bulgarian National United Front; he felt it was valuable for solidarity and friendship. The LFNC will use the material assistance to help with

projects underway. The material which the Bulgarian National United Council sent to the Lao Front for National Construction included: amplifiers, tape recorders, record players and 12 boxes of wired radio equipment--2 complete sets, weighing 360 kilograms. The total value was \$36,640. [Text] [Vientiane PASASON in Lao 13 May 83 pp 1, 4] 8149

INTERMED AID--Recently the international organization for public health, Ingtekmet, distributed \$200,000 worth of medicine to the Ministry of Public Health of the Lao Democratic Peoples Republic. Dr Vekne Sane, president of Ingtekmet from America, presented the aid and Dr Ponmek Daraloi, the deputy minister of public health, received it. [Text] [Vientiane PASASON in Lao 14 May 83 pp 1, 3] 8149

IRRIGATION PROJECT AID--A medium-sized irrigation system which Vinh Phu Province in the Socialist Republic of Vietnam helped build for Luang Namtha Province starting in October 1982 is completely finished and was officially presented at the beginning of May. The Lao side of the presentation included Mr Thongsai Vannaphaeng, a member of the party committee, the administrative committee and head of the Department of Agriculture Irrigation and Agriculture Cooperatives of Luang Namtha Province. The Vietnamese side included Mr Le Ngoc Quan, a member of the people's committee and head of the Irrigation Construction Company of Vinh Phu Province, accompanied by a number of cadres who were involved. This irrigation system is able to irrigate 400 hectares which makes it easier for the farmers to keep up with the seasons because they do not have to wait for rain. [Text] [Vientiane PASASON in Lao 13 May 83 p 1] 8149

CHAMPASAK RECRUITMENT--(K.P.L.) With a clear understanding of the two strategic duties issued by the party and government in the period of transformation and construction of the country in order to advance itself to socialism, to defend and to construct the nation, in early 1983 over 200 youths of the ethnic groups in different production bases within Phon Thong District, Champassak Province, were awakened and volunteered to serve in national defense by volunteering to be combatants in the ranks of the military forces of the Lao People's Army, and cadres and workers in factories in different offices and organizations. [Text] [Vientiane KHAOSAN PATHET LAO in Lao 28 May 83 p A3] 9884

CSO: 4206/87

COMMENTARY DISCUSSES MAHATHIR'S ROK TOUR

BK081344 Kuala Lumpur International Service in English 0800 GMT 8 Aug 83

[Unattributed commentary]

[Text] The prime minister of Malaysia, Datuk Sri Dr Mahathir Mohamed, arrived in Seoul today for a week-long official visit to South Korea. Malaysia hopes that this visit will lead to an increase in bilateral trade and industrial cooperation through governmental and private sectors' efforts. This is reflected by the composition of the Malaysian delegation, which consists of government officials as well as private sector representatives.

For the purpose of boosting trade between the two countries, the visit could not have come at a better time. It coincides with South Korea's import liberalization program, and this will open up its market to certain goods which until now have been totally protected.

The Malaysian delegation will certainly explore areas where there are opportunities for the country's manufactured products and make a bid for a share in the South Korean market. This is expected to be brought up personally by Prime Minister Datuk Sri Dr Mahathir Mohamed for broader trade and cooperation in his meeting with Prime Minister Kim Sang-hyop and at the summit discussion with President Chon Tu-hwan tomorrow.

Another area where trade between the two countries could be further increased is through the concept of countertrade, as government officials in the Malaysian delegation are expected to explore ways of introducing its concept in trade between the two nations.

Malaysia is also keen to get South Korean participation and know-how in its industrialization efforts, and this is reflected in the Malaysian prime minister's scheduled visit to several South Korean factories. While the main thrusts of discussion between leaders of the two countries will likely be on bilateral trade and economic relations, they are also expected to discuss South Korea's bid for ASEAN dialogue partner status. South Korea applied for this status last year just before the five ASEAN foreign ministers meeting in Singapore. Datuk Sri Dr Mahathir Mohamed is likely to brief President Chon Tu-hwan on this matter at a summit discussion

tomorrow which will also look into development in the respective regions, namely Northeast Asia and Southeast Asia. This will necessarily involve President Chon's proposal made last year for a Pacific Basin summit and a latest development of South Korean efforts toward reunification of the two Koreas.

Malaysia supports any efforts by both countries to achieve a peaceful reunification through negotiations reflecting the wishes of the Korean people. Besides regional issue likely to crop up are international issues such as South-South cooperation, the current world recession and measures to hasten its recovery, protectionism, and the international financial situation. As can be gathered, there is much to be discussed between the leaders of the two countries during the Malaysian prime minister's week-long official visit to South Korea.

Given the existing good relations between the two nations, much mutual benefit is expected to result. Already, South Korea's participation in the Malaysian construction industry is in terms of million of dollars, and it will no doubt reciprocate likewise in areas of trade and economic cooperation leading to expectations of a fruitful visit by the Malaysian prime minister, Datuk Sri Dr Mahathir, and his delegation to South Korea.

CSO: 4200/791

## ECONOMY SHOWING SIGNS OF RECOVERY

Kuala Lumpur BUSINESS TIMES in English 29 Jul 83 p 22

[ Text ]

■ THE nation's economy is beginning to show signs of recovery following the government's pragmatic and dynamic economic and financial policies coupled with the world economic recovery, the Dewan Rakyat was told yesterday.

Finance Minister Tengku Razaleigh Hamzah said trade statistics had shown that Malaysia recorded a surplus balance of trade of \$84.1 million for the first five months of this year.

Tengku Razaleigh said if such developments continued, Malaysia would experience a trade surplus for this year and it would have an im-

proved balance of payments.

Replying to Encik Karpal Singh (DAP-Jelutong), the minister said the surplus was due to increase in the value of exports for sawn timber, palm oil, tin, electronic goods and rubber.

He said the consumer price index of the country had been reduced from an average of 5.8 per cent last year to 4.1 per cent in May, this year.

■ FOREST areas totalling 1.8 million hectares have been leased for logging since 1978.

Primary Industries Minister Datuk Leong Khee Seong said 373,673 hectares of the total had

been rehabilitated.

Replying to Mr Sim Kwang Yang (DAP-Bandar Kuching), he said the government had taken steps to ensure continuous timber supply.

The measures included reducing the annual rate of felling trees, stepping up reafforestation and planting fast-growing species of timber.

The government also established permanent forest reserves, which now covered about 9.5 million hectares.

Datuk Leong said that several conditions were imposed on loggers to en-

sure that their activities did not spoil the environment and cause soil erosion.

The government had also imposed a system which required loggers to fell trees selectively and without damaging others.

■ THE government is considering incentives to set up tin-based industries. Datuk Leong said the move was to ensure that the country's tin did not have to depend solely on foreign markets.

Replying to Mr Peter Chin Gan Oon (BN Ipoh),

he said the International Tin Research Institute was continuing work to ensure that the metal could withstand the competition from substitutes like plastic, glass and aluminium.

He said that research had helped to ensure sales of 165,000 tonnes of tin a year to tin plating and soldering and other such industries.

It had also helped to secure sales of 13,000 tonnes a year to new buyers, including those in the cast iron and chemical industries.

Datuk Leong believed that the popularity of computers would boost the demand for tin. *Hernama*

## EDITORIAL EXAMINES FOREIGN INVESTMENT SITUATION

Kuala Lumpur BUSINESS TIMES in English 23 Jul 83 p 10

[Editorial: "Revamping Foreign Equity"]

[Text]

WITH the non-Bumiputera share in the corporate sector now around 40 per cent, an increase in that of Bumiputeras will have to come principally from divestment by foreign investors. Given the 1980 deadline for reaching the targets set under the New Economic Policy, such divestiture needs to be given a push. The simplification of guidelines for restructuring — promised by Haji Mulyiddin Yaasin, deputy minister of Trade and Industry — is a useful step in this context. It should help to eliminate needless delays arising from misconceptions regarding what the government regards as a satisfactory arrangement. As the Prime Minister has said, he would prefer to see restructuring take place through growth. While the scope for this was limited in resource-based industries like plantations or tin, there should be no great difficulty in opting for the mode preferred by Datuk Seri Dr Mahathir Mohamad in the case of manufacturing or service industries catering to the expanding Malaysian economy or to world markets. Change via growth would also subserve important national objectives like industrial expansion and diversification.

More important, it would not be necessary to repatriate capital; it will continue to work for the country although in a new ownership framework. Since the balance of payments difficulties facing the country at present are likely to persist for some time, the avoidance of repatriation would save foreign exchange that may otherwise have to be made up either by additional borrowings or by diverting inflows of capital to replace what goes out. This does not mean that Malaysia should give up the option of buying out an investor that it exercised in such cases as that of Harrisons and Crosfield. It is one that should be adopted, however, only as a last resort not only to conserve resources but also to retain within the country the experience, access to technology and market connections of the foreign partner. The rationale for

retaining these is exactly the same as that for inviting fresh capital.

Any discussion on restructuring needs to keep in mind that national control is in the Malaysian case a functional rather than an ideological goal. The object is to ensure corporate decisions are made in line with national priorities and perceptions rather than to exclude the foreign investor from Malaysia. This is amply evident from the welcome foreign capital continues to receive. This applies not only to newer industries with which Malaysia is not familiar, such as LNG or steel, but also to fully matured industries in which the country has a demonstrated capacity to carry on its own. This is borne out by the accommodation reached with firms like B & C in rubber and Cossine Ristinto and Charter Consolidated.

The merit of such accommodative policies is even clearer in the present international context of declining flows of official capital, a sharp slowdown in bank lending and the rising accumulation of debt with a consequent increase in the repayment burden. Investment as a form of inflow which pays for itself has, therefore, an added value which is enhanced when the gains accruing to the investor, either in the form of capital appreciation or current income, get ploughed back. Naturally, some of the current income will indeed flow out and the total outgo will tend to build up — as it indeed has in Malaysia's case. But as long as the stock of invested capital generates an even larger income for the host country, it is a positive sum game. This is the perspective that should shape Malaysian modalities for restructuring in the present phase. There is no question here of departing from well-established policies which have always put the emphasis on a pragmatic give and take. All that is necessary is to ensure that this pragmatism is fully reflected in the nitty gritty of negotiations with individual investors.

C.O: 4200/801

ALAYSIA - BAHRAIN TALKS ON GULF GROUPING

Kuala Lumpur BUSINESS TIMES in English 26 Jul 83 p 2

[Text]

**MALAYSIA** and Bahrain have discussed the establishment of the Gulf Co-operation Council — a political and economic grouping leading towards a Common Market along the lines of the European Economic Community (EEC).

The subject was raised during a meeting between Bank Bumiputra chairman, Dr Nawawi Mat Awin, and leaders of the Bahrain Chambers of Commerce in Bahrain yesterday.

Bahrain has the potential as a centre of trade and finance for the Gulf area with its well-developed infrastructure and communication facilities, he said in a telex from Bahrain.

Dr Nawawi, who is president of the National Chamber of Commerce and Industry and the Malaysian Chamber of Commerce and Industry, added that it was agreed that the potential for Malaysian business with Gulf states through Bahrain would be very substantial and steps should be taken to promote cooperation for mutual benefits.

The businessmen and

industrialists from Bahrain had expressed keenness in developing more direct trade between the two countries rather than the present situation where they are buying Malaysian products through third countries.

Dr Nawawi assured them that Prime Minister Datuk Dr Mahathir Mohamad was personally interested in this and steps were already being taken to remove obstacles in direct trade between Malaysia and other countries.

The meeting also discussed the follow-up of the points raised during the Prime Minister's visit to Bahrain in February 1982.

According to Dr Nawawi the Bahrain businessmen were also interested in the joint investment opportunities in Malaysia and it was agreed that closer relations between the private sectors of the two countries be maintained.

He stated that the Bahrain branch of Bank Bumiputra could readily play a role in this as it had done in individual cases in the past. — Bernama

CSO: 4200/801

## EDITORIAL URGES 'CONTINUED CAUTION' ON COMMODITY PRICES

Kuala Lumpur BUSINESS TIMES in English 29 Jul 83 p 22

[Editorial: "Some Grounds for Optimism"]

[Text]

**CONTINUED** caution is necessary although firmer prices may be in the offing for two major Malaysian commodities. In the case of rubber, there are some grounds for optimism. US car sales for mid-July rose to the highest level in four years. Taken together with the hefty 68 per cent increase in June sales and a 13.4 per cent improvement in the first half of this year, the July figure suggests a steady pick-up in the US car industry. If this buying binge is sustained, analysts predict record 1983 full-year earnings for US carmakers. Even the chronically-ailing Chrysler Corporation two weeks ago reported a second quarter profit of US\$310 million, the largest in its history. Rising sales and profits mean production of cars may increase, resulting in larger purchases of rubber. With the GSA beginning to buy rubber for its stockpile, this should give an added push to prices.

Less clear-cut is the direction palm oil prices will take. While dealers at the Kuala Lumpur Commodity Exchange (KLCE) are expecting prices to breach the RM29 level next week, this may be due to speculative buying, rather than a marked change in the fundamentals. Production in the first six months of this year is estimated to have fallen by about eight per cent from the same period last year, a factor which could have contributed to the bullish sentiment. But it is possible that output for the year may top last year's figure slightly.

Even so, a possible upturn in prices cannot be entirely ruled out. Only recently a record 17,000 tonnes of refined, bleached and deodorised (RBD) palm oil was shipped to the Soviet Union, the biggest single shipment so far. And exporters expect to send even more in the near future. As the second largest buyer of refined palm oil, Soviet Union may help to

prices should it increase its intake. Moreover, experts questioned in *The Wall Street Journal's* semi-annual survey of commodity-futures investment favoured buying soyabean futures. Although a worldwide recovery and interest rate trends were among the reasons given, their choice stemmed mainly from the fact that the hot dry weather in growing regions in the US could reduce yields. Since palm oil has overtaken tallow and grease to become the world's second largest source of oils and fats, it could conceivably make up for any shortfall in soyabeans.

Although there are some indications that the decline in prices for rubber and palm oil may have bottomed out, it is still an open question whether the rally can be sustained. One possible constraint, in the case of rubber, is the large amount of stocks — 270,000 tonnes — held by the International Natural Rubber Organisation. Another dampener is the fact that the GSA has indicated it will not buy stockpile rubber. An upward trend in prices is only possible if demand is sufficiently vigorous to mop up the surplus. The large number of substitutes for palm oil may also act as a brake against a rapid upsurge in price. But possibly the greatest determinant of all commodity prices, including rubber and palm oil, is the level of interest rates. Growing concern in the US over the possible reaction of the Federal Reserve to the recent rise in M-1, which measures the amount of cash and money in chequing accounts, could make commodity buyers more cautious. If the Fed starts to clamp down hard on money supply, this could abort the recovery even before its spillover effects have been felt by less developed countries and send commodity prices plummeting once again.

CSO: 4200/301

## SOCO SHOSHAS: MORE PROBLEMS THAN SOLUTIONS

Kuala Lumpur BUSINESS TIMES in English 29 Jul 83 p 1

[Article by Adlin M. Zabri]

[Text]

MOVES to jolt Malaysia's "sleeping" sogo shoshas into playing a more active role in the drive to step up the country's exports, particularly manufactured products, now hinge on whether the companies involved and the government can see eye to eye on a number of issues.

A recent meeting of representatives from the five Malaysian general trading firms and Treasury officials to get things going appeared to unearth more difficulties than solutions.

According to an informed source, the Treasury officials have set two conditions which the sogo shoshas might balk at.

The Treasury wants the firms to present their export targets in volume terms and at the same time work out a programme to set up overseas offices as part of their marketing network as soon as possible.

The experiences of similar firms in Thailand and the Philippines have shown that export targets created problems if they were too high. Most of the Thai and Filipino companies have failed to achieve their targets.

The source said the Malaysian sogo shoshas felt that instead of imposing new conditions, the government should first introduce a special incentive scheme to enable them to take off.

He said the government's intention in setting the conditions was motivated by a desire to avoid recriminations from other trading companies which might not take too kindly to special treatment being granted to a small group of companies.

While admitting that the government was genuinely interested in helping the five companies launch their operations, the source said trading companies were disillu-

sioned by the recent spate of criticisms levelled at them.

They feared that such criticisms which they described as "unfounded" might cause the commercial sector to lose confidence in the general trading firms.

The Deputy Foreign Minister, Encik Abdul Kadir Haji Sheikh Fadzir, had recently lambasted the sogo shoshas for being asleep from the time they were born.

The firms have denied the allegation and argued that they were working on a number of deals which would require some time to materialise. They also attributed part of the blame for the delay on the recession.

Commenting on the problems posed by having to achieve export targets, the source said the five companies would have to compete against existing firms already exporting commodities and manufactured prod-

ucts.

This task might not be easy as the existing firms have already established themselves in the commodities they are dealing in.

Another problem is that the country does not have much manufactured products for export and the sogo shoshas might have to concentrate on commodities. This would defeat the purpose for which they were set up — i.e. boosting the export of Malaysia's manufactured goods. Commodities currently account for 70 per cent of the country's external trade.

Sogo shoshas which do not already have a partner controlling any of the commodities would face serious problems in establishing their sources of supply. Also, the current low prices faced by the country's commodities would make deep

cuts into the already thin margin the general trading firms were expected to operate on.

(A salient feature of Japanese companies which inspired the setting up of the Malaysian firms was their large trading volumes offsetting thin profit margins.)

The Malaysian firms are said to be evaluating their efforts to commerce operations and some are said to be introducing new trading methods on a trial and error basis.

Another alternative is to persuade Malaysian manufacturers to chan-

nel their products to the sogo shoshas for export. Since not many Malaysian manufacturers are able establish markets overseas on their own, the help of sogo shoshas might be just what is needed.

It is also learnt that the government has advised the trading companies to prepare a training programme for their personnel.

There have been some discussions among the five companies to conduct joint training programmes, which is considered more feasible at this stage.

CSO: 4200/802

## GOVERNMENT SIGNS FOR 30 BILLION YEN LOAN

Kuala Lumpur BUSINESS TIMES in English 29 Jul 83 p 22

[Article by Bob Teoh]

[Text]

THE Malaysian government yesterday signed for a 30 billion yen (about \$360 million) syndicated loan with an assurance to the lenders that their confidence in the country's economy is not misplaced.

Speaking at the loan signing ceremony at the Ministry of Finance the deputy secretary general to the Treasury, Datuk Badruddin Samad, said the country had to resort to larger external borrowings than it was used to because of the adverse impact on the Malaysian economy due to the global recession.

However, he said despite the gloomy economic climate worldwide, the government was optimistic of stable and sustainable economic growth in the near future. There were already signs of improvement in several sectors, especially in agriculture, mining, and manufacturing.

He gave an assurance

that the government would like to maintain its position as a prudent borrower and turn to international capital markets only when it was necessary.

Speaking on behalf of the consortium, Mr Tamayuki Yoshinaga, managing director of the Industrial Bank of Japan (IBJ), said syndication of the loan involving 41 participants including two lead managers, six co-lead managers, six managers, and five co-managers, was completed within the three weeks ending on July 13.

"This," he said "was nothing short of an expression of the high esteem in which our financial community holds Malaysia."

The lead managers are IBJ and Mitsubishi Trust and Banking Corporation with Bank Bumiputra, the only local participant, as one of the six co-lead managers.

The 30 billion yen loan

is for a 10-year term with a grace period of another five years in two equal portions, the first being a fixed interest rate tranche carrying a coupon rate of 0.3 per cent above the Japanese long term prime lending rate (which is presently at 8.4 per cent) at the time of drawdown.

The second tranche is at a margin of 0.1 per cent above the prime rate which is to be revised every six months or one year at the borrower's option.

This is the first yen syndicated loan to be raised by the Malaysian government itself and it is also the largest amount syndicated in a single operation for any government since the re-opening of the yen loan market to sovereign entities in May last year after a closure of about two years to stem excessive capital outflow from Japan.

The previous record sum was obtained by the Indonesian government last month for 24 billion yen (about \$240 million) in two tranches on about the same terms as the Malaysian loan. Over the past 12 months, the average size of loans raised on the yen money market was about 10 billion yen, according to a banker present at yesterday's signing ceremony.

As pointed out by the Treasury, the terms of the loan were "reasonably attractive" considering that under the current situation loans tended to be for shorter terms and at higher margins.

A banker pointed out that the best coupon rate obtainable on the yen loan market is 0.2 per cent above the long term prime lending rate but this is rarely done, except for borrowers such as Sweden, which has what is known as a "Triple A" rating.

CSO: 4200/802

## SMALL INDUSTRIES CORPORATION PROPOSED

Kuala Lumpur BUSINESS TIMES in English 30 Jul 83 p 1

[Article by Khalid Jaafar]

[Text]

A GOVERNMENT committee has agreed in principle to recommend the setting up of a small-scale industries corporation to undertake the systematic planning and development of small-scale enterprises in the country. Deputy Trade and Industry Minister, Haji Muhiyiddin Mohd Yassin, announced yesterday.

The proposed corporation will gradually take over the task of promoting small industries from other agencies and government departments currently shouldering the task. There are now more than 10 government agencies and departments performing the function.

Haji Muhiyiddin said the decision to set up the corporation was made at a meeting of the small-scale Industries Coordination Committee on Thursday. The decision was timely as the ministry had been looking into the feasibility of setting up a centralised agency to coordinate efforts to boost the sector.

The committee felt

that it was necessary to set up the corporation to monitor the growth of small-scale industries. It also suggested that the corporation oversee the development of this sector in line with the national industrialisation policy apart from increasing Bumiputera participation.

He said small-scale enterprises have a vital role to play in the industrialisation of the country. However, until now the growth of sector had not been properly planned and efforts undertaken by the ministry were largely on an ad-hoc basis.

The first step towards the formation of the corporation would be to sound out the views of all interested parties at a seminar to be held soon to produce a working paper which would be submitted to the Cabinet.

The deputy minister told reporters that a subcontracting exchange, an information centre to help small-scale entrepreneurs secure jobs, would also be set up.

The function of the ex-

change would be help identify jobs suitable for the businessmen especially Bumiputeras.

The exchange, to be headed by an engineer, would gather information on works farmed out by large contractors for small entrepreneurs. At the moment the small entrepreneurs have difficulties in gaining access to that kind of information.

However, Haji Muhiyiddin stressed that there would be no compulsion for the private sector to provide information to the exchange.

According to the deputy minister the formation of the exchange was suggested by the United Nations Industrial Development Organisation (Unido) based on success of the system in European countries.

The ministry believed consultancy services should be provided to help improve the performance of small-scale industries.

He said the services of big manufacturers as well as government agencies would be enlist-

ed to form a "core group" to provide technical advice to small entrepreneurs.

He hoped the services would be given free-of-charge or for a nominal fee.

At present, it was difficult for small companies, particularly Bumiputera entrepreneurs, to get technical advice.

Since the ministry itself did not have sufficient staff with expertise to provide technical advice, it would be more appropriate to get it from the private sector in line with the Malaysian Inc. concept advocated by the government, he added.

Several industries have also been identified as suitable for small-scale manufacturers for which the ministry would accord priority in the issue of licences.

The industries identified were food processing, light engineering, furniture making, building material and car components manufacturing. For the last activity, careful consideration would have to be taken since it would require high technology.

CSO: 4200/802

## FMM URGES 'MORE OPEN' ADMINISTRATION

Kuala Lumpur BUSINESS TIMES in English 23 Jul 83 p 1

[Text]

THE private sector will be able to respond better to the government's call to play a more effective role in national development if there is a more open form of administration, an official of the Federation of Malaysian Manufacturers (FMM) said.

FMM vice-president Yong Poh Kon says that if businessmen are not responsive to the government's call, it could mainly be because they are held back by the "confrontational attitude" of the public sector.

He explains that while the private sector is composed of individual businessmen, the public sector is a monolithic entity and it is easy for a businessman to be black-

ailed if his views do not coincide with rules and regulations.

The setting up of bodies like the Foreign Investment Committee and Capital Issues Committee and the Industrial Co-ordination Act have made businessmen realise that their situation could be adversely affected, he adds.

This fear, Mr Yong says, is unwittingly reinforced when certain applications for approval are rejected with no reasons given.

A more open form of administration is, therefore, needed, he says, adding that this will go a long way towards drawing out private sector participation.

Mr Yong made these

remarks at a forum on the Malaysia Incorporated concept organised by the National Institute of Public Administration (Intan) in May. His remarks are reproduced in the latest issue of *Berita FMM*.

He says: "This open attitude to regard the private sector as partners in the nation's development is what is so necessary."

"With the right attitude, the individual behaviour of the civil servant will also be positive and, if reinforced regularly, will lead to the overall organisational change envisaged by the Prime Minister."

An increase in productivity in the public sector, he adds, will contribute significantly towards

giving industries a competitive edge despite the fact that the sector employs only 14 per cent of the total working population of five million.

Mr Yong also emphasises the importance of information flow between the public and private sectors and a structure to provide information.

He points out that problems are more easily solved at state level because of the use of consultative committees.

He also notes that the pre-Budget dialogue sessions are another way of exchanging views with the private sector.

Such meetings, he suggests, should be held more regularly and not necessarily on a yearly basis. — Bernama ES

C/Ser: 4200/801

## PRIMARY INDUSTRIES MINISTER ON INCREASING RUBBER YIELD

Kuala Lumpur BUSINESS TIMES in English 23 Jul 83 p 1

[Article by S. Umadevi]

[Text]

**YIELDS** on rubber smallholdings can be increased from less than 1,000 kg per hectare to 1,600 kg per hectare, the Minister of Primary Industries Datuk Leong Khee Seong said.

Priority has been given to speed up the transfer of technology from the Rubber Research Institute of Malaysia to smallholders. Several measures have been identified to achieve maximum results, he said.

Datuk Leong was speaking at the premiere of a 26-minute film, *Natural Rubber Bounces On*, in Kuala Lumpur. The film was made by Film Negara with the cooperation of the Malaysian Rubber Research and Development Board in conjunction with the rubber centennial celebrations.

As a result of R & D ac-

tivities the average yield of smallholdings rose significantly from about 400 kg per hectare in 1970 to the present annual average of 1,000 kg per hectare. The yield on estates has increased from 750 kg to 1,450 kg per hectare over the same period.

He said new applications in the field of engineering are being explored. Research on natural rubber bearings to protect buildings from vibrations caused by earthquakes have shown some promising results. Other lines of research such as the modification and grafting of natural rubber with plastics to introduce thermoplastic behaviour, free flowing crumb rubber, powdered rubber and epoxidised natural rubber have also been encouraging, he said.

**Growth of rubber-**

based manufacturing industries since the 1970s has been good but domestic consumption of natural rubber is still at a relatively low level of about 60,000 tonnes.

He saw a need to formulate a comprehensive programme to accelerate the growth of rubber-based industries in the country in order to achieve the target of 300,000 tonnes of domestic processing of natural rubber by the 1990s.

He reiterated his view that the general market outlook for the natural rubber industry is favourable. The rise in rubber demand from the US, the USSR and China have had a favourable impact on the market. He expected that recovery will be hastened by the decline in oil prices.

Although economic recovery in the EEC is

slow, there are reportedly real signs of growth emerging, he said.

He expects that Japan will come into the market to replenish its stock, particularly as its tyre industry is currently working near capacity in response to substantial export orders from Iran for truck tyres and increased domestic demand.

Furthermore, some major buyers from Eastern Europe have resumed their purchases, having resolved partially their foreign exchange problems.

Notwithstanding the fact that natural rubber will still be very much subject to the traumas and tantrums of demand volatility, the medium and long-term prospects of natural rubber continued to remain bright, he said.

CSO: 4200/801

## SARAWAK ALTERNATIVES FOR ASEAN ENERGY

Mal. Lumpur BUSINESS TIMES in English 23 Jul 83 p 2

[ cont ]

THE development of Sarawak's hydro-power resources and its high voltage direct current (HVDC) link to the nation and other ASEAN countries will be the energy alternatives in Malaysia and the ASEAN region in the year 2000.

Sarawak State Minister for Communication and Works Datuk Dr Wong Soon Kai said the Sarawak Electricity Supply Corporation (Sesco) was now the leading force in three of the seven projects identified for the ASEAN electric power system interconnection.

They were the Sarawak Peninsular HVDC link, the Sarawak-West Kalimantan link and the Sarawak Sabah-

/Philippines link.

Opening the Sesco senior staff conference in Kuching yesterday, Datuk Dr Wong said the energy crisis which was looming large over the ASEAN countries to some extent had stepped up the ASEAN spirit of electric power system interconnection scheme.

It was hoped that the long term planning of the scheme would ensure the utilization of energy resources available which was vital for the economic development and stability of the region, he added.

He said that Malaysia was fortunate to be blessed with other indigenous energy resources other than petroleum.

such as hydro and gas, which could be tapped and utilized for long-term requirements.

The minister also said that the federal government had approved about \$20.4 million for rural electrification projects and new power stations in the state this year and additional funds might be allocated for the remaining period of the Fourth Malaysia Plan.

On the takeover of Sesco by the federal authorities, Datuk Dr Wong said the move was to ensure the need for a standard power development to ease the financial burden on the state government and also to promote national intergration of services.

This national intergration of services through inter-state transfer of personnel would enable Sesco staff to acquire new ideas and knowledge and generate better understanding among their counterparts elsewhere in the country.

However, he said, the takeover date had not been finalised until the question of compensation to the state government had been resolved.

Datuk Dr Wong urged Sesco to continue discharging its function efficiently under the federal authorities and he assured Sesco personnel that all the privileges, conditions of service and prospects they presently enjoyed would continue.  
— Bernama

C(0): 4200/801

## CAPRICIOUS WEATHER AFFECTS AGRICULTURE

HK170214 Manila BUSINESS DAY in English 16 Aug 83 p 2

[Text] The rainy season has started, but it seems the rains have been falling in the wrong places, as far as the Ministry of Agriculture is concerned.

Rain has not been enough for irrigation, resulting in the delay in planting both rice and corn crops in Cagayan Valley, Central Luzon and Western Visayas.

In some areas, the delay in planting has reached two months, prompting fears among some agriculture officials that rice and corn production for crop year 1983-84 would be badly affected.

Water levels at irrigation dams have also remained low.

Pantabangan Dam, which under normal condition supplies irrigation water to 80,000 hectares of ricelands in Nueva Ecija, Pampanga and Bulacan, had a water level of 169 meters at the height of the drought. The water level has since inched up to 173.52 meters, but it is still below the 175-meter water level that would reach the intake tower to release water for irrigation.

Sources at the National Irrigation Administration (NIA) said that it will take two to three typhoons accompanied by heavy rains before Pantabangan Dam would be serviceable to irrigate farms.

In fact, it was the recent typhoons Bebeng and Diding that were greatly responsible for raising the water level of the dam to its present level. Bebeng raised the water level by nearly a meter and Diding by about two meters.

The lack of rain also affected the normal irrigation operations of other water reservoirs in Luzon. Magat Dam in Isabela has serviced during the present cropping season only 90,000 hectares although its release of water has been going on even during the drought. It has provided irrigation water for 90,000 hectares, which is still short of the 102,000 hectares it services under normal conditions. Magat services the provinces of Isabela, Guirino and Ifugao.

But the Agriculture Ministry is not about to lose hope. After reporting a severe beating from the drought which pushed down the country's rice production by 16.4 percent and corn yield by 25.7 percent during the January-June crop for crop year 1982-83, the ministry prepared for a massive rehabilitation of farmlands.

However, such a rehabilitation depended on the rainfall, which up to now is not sufficient in 200,000 hectares of irrigated lands in Central Luzon, Cagayan Valley and Western Visayas. The Agriculture Ministry has yet to release the figures for corn areas affected by delayed rains.

Nevertheless, for ricelands, alone, the delayed rains affect about 56 percent of the targeted 1.16 hectares targeted for planting during the present crop season, which was supposed to start as early as June.

The Agriculture Ministry has prepared a program to minimize the damage from the lack of irrigation water and delayed rains. Concerned about the effects on the incomes of farmers, the ministry has also prepared a program to promote other farm activities.

The program calls for accelerated rice and corn production in areas affected by lack of water. Crop diversification would also be carried out in areas where no planting has been done up to this week to assure farmers of income until they can plant their crops.

Accelerated rice production will be done through direct seeding, which will shorten the growing time of the crop. Short-maturing varieties like IR-36 will be used.

Initial target for direct seeding and short-maturing varieties is 50,000 hectares. The hectarage will be increased to 75,000 up to 100,000 hectares when more funds are made available.

In areas where water is not adequate for rice, but would be enough for corn planting, hybrid corn that yields up to five times the country's average production, will be planted in some 25,000 hectares in Central Luzon and Pangasinan.

Crop diversification will involve crops known to have longer storage life and tolerant to low water supply. The plan involves the planting of legumes, cucubits, beans, sitao and rootcrops. The plan would also include the planting of leafy vegetables where marketing the products would not be a problem.

The blueprint prepared by the Agriculture Ministry would cost P [pesos] 24 million to implement. This budget would include P21.5 million for direct procurement of seeds, P0.5 million for the information campaign such as promoting direct seeding to the farmers, and P2 million for such operations as the distribution of seeds.

CSO: 4200/816

KRIANGSAK, PHICHL, MILITARY VIEWS ON INDOCHINA EXAMINED

Bangkok SIAM MAI in Thai 10 Jun 83 pp 20-23

[Text] As soon as the 6-meter-wide, 25-kilometer-long trench along the border area on the Kampuchean side was completed, Mr Nguyen Co Thach, foreign minister of Vietnam, scheduled two unofficial visits to Thailand: one on 23 June, and another on 9 June 1983. And he notified the Thai Ministry of Foreign Affairs that he would like to meet Foreign Minister Siddhi Sawetsila; House Foreign Affairs Committee chairman, Gen Kriangsak Chomanand; and Deputy Prime Minister Phichai Rattakul. He did not indicate the specific purpose of his visits.

Mr Nguyen Co Thach's visits to Thailand are no surprise. This is because when a rainy season begins, Vietnam cannot launch a military offensive in Kampuchea; therefore, they often open their warfare on the diplomatic front by visiting several countries to find out their positions and to seek political allies.

But there is a difference in Mr Thach's visits this time which should be watched, and that is his request to meet with former prime minister, Gen Kriangsak Chomanand and Mr Phichai Rattakul, deputy prime minister and leader of the Democratic Party, both of whom have an important role in the government. These two hold quite a different view on the Indochinese problem from Foreign Minister Siddhi Sawetsila.

Kriangsak: Stomach Must Be Full First

General Kriangsak, former prime minister, holds a more conciliatory position on the diplomatic front and puts heavy emphasis on neutrality. Based on his past performances, we can see that General Kriangsak is a military man with high diplomatic skill. He used to open talks with Vietnamese Prime Minister Pham Van Dong in such a manner that the latter declared with firmness that Vietnam would never attack Thailand.

And General Kriangsak also gave an interview to SIAM MAI on foreign policy: "We are a small country and one on the frontline. We hold the same principles as ASEAN; we consider ASEAN to be our support. We are a democracy. Our national interests are important. And so is our survival...We will not allow any country to get us directly involved in a war. While we say Vietnam is not ready to attack us, we, also, are not ready to defend ourselves. Therefore,

it is better not to fight each other. At present they probably consider their first priority to be progress in their country and maintaining their stability. How can a starving person go to war? The first thing, therefore, is to fill your stomach. After that you can pursue any kind of aggressive policy."

#### Phichai Rattakul: Trade Precedes Military Approach

"The Democratic Party's view concerning Kampuchea is that Vietnam's invasion and occupation of Kampuchea is wrong. Vietnam must withdraw its troops from that country. It has now been 4 years, and Vietnam has not made any progress in solving the Kampuchean problem. The Kampucheans should be allowed to work out their own problems. As for our foreign policy, my view is that trade should precede a political approach."

Mr Phichai Rattakul made his view on foreign affairs very clear. He also made an assurance that his approach is not in conflict with the conduct of the current foreign policy because Point 8 of the government policy, which is related to foreign affairs, states that the government "will promote friendly relations and expand economic and trade relations with foreign countries."

It is because of the difference between these two approaches to foreign affairs that Mr Nguyen Co Thach has now redirected his aim and focused on changing the Thai Government's stand on Kampuchea through General Kriangsak and Mr Phichai. For Mr Thach is convinced that he cannot bring about such a change through Air Chief Marshal Siddhi Sawetsila. Besides being the prime mover in the formation of the tripartite Kampuchean coalition, the Thai foreign minister has also taken a hardline stand against the Vietnamese.

Mr Thach's political game is viewed by many as a design to destroy the Thai coalition government's uniformity of view on foreign affairs. It is obvious that conflicting views on foreign affairs already exist at the policy level; the formation of foreign policy and its conduct do not agree. And if Mr Thach succeeds in meshing his view with that of Mr Phichai, Foreign Minister Siddhi's role in and his stand for the support of Prince Sihanouk will certainly be diminished. This is the first stage of success that Mr Thach foresees.

#### The Voice From the Military: Security First

In the meantime, reactions against Mr Phichai's idea on foreign affairs have been loud and sudden. The strongest voice seemed to have come from the military. The television program "News Corridor" aired on 31 May strongly attacked the "trade precedes politics" approach. The broadcast said that Mr Phichai's idea of opening trade with Vietnam corresponded with Vietnam's idea. It also said national security was the most important factor, not trade.

The reason that the military moved to make a quick response might be that they were pressured by an external power, as one ranking military officer indicated: "The present military stand, as you can see, has leaned more and more toward the American stand, partly because we want American assistance, such as weapons, etc. Simply put, we attack Vietnam openly in order to appease America, you might say."

Because of the turn of events in the political arena, which can create conflicts at a high level, General Kriangsak has removed himself from the mainstream of potential conflicts. He refused to meet with Mr Nguyen Co Thach, saying he was busy abroad. Mr Phichai has reduced his sarcasm, and said he would allow Mr Thach to meet with him, but that he would coordinate closely with the Ministry of Foreign Affairs.

#### The 66/2523 Line of Thinking: Thailand Must Be Neutral

Document No 6601, which was assigned for reading in the training program of the Internal Security Operations Command, and which was written by Prasert Sapsunthorn, the old advocate and teacher of the 66/2523 (Policy No 66 of 1980) idea, contained many foreign policy issues. Among the more important are:

(1) Neutrality. The circumstances for neutrality are difficult to create, and so is the policy of neutrality difficult to conduct. There has never been a country that could really maintain true neutrality. But amid the conflict within the socialist camp, the capitalist countries have been able to practice and maintain neutrality quite easily. This is because the world of capitalism and the world of socialism are two different worlds. And these two worlds are divided from the top down to the base of their foundations. If the capitalist countries would only stay out of the conflict or war between socialist countries, then neutrality could be maintained.

That is like saying that Thailand can be neutral in the Kampuchean conflict by stopping its involvement. And for Thailand to be a neutral country accepted by the world, there must be an international conference. Besides being raised to a high status by such a conference, and being able to remain safe, Thailand will also be able to control its own situation.

At the same time, it is also like saying if Thailand proposed that an international conference be held, such a conference would help facilitate Thailand's efforts to use a political means to solve the Kampuchean problem. Under such circumstances, any clashes between Thailand and Indochina would only be an accident or the result of some kind of a mistake, not Indochina's intention to invade Thailand. And the measures to prevent any clashes are not military in nature; rather they are political measures.

Not only does Thailand have to be neutral in the conflict between socialist countries, it also has to be neutral in other areas as well. For example, it has to call off its existing military commitments to a country or a group of countries.

The ideas contained in Document 6601 can be summed up as follows: The kind of neutrality that is pictured by Prasert Sapsunthorn--with no involvement with either the capitalist or the socialist countries--is that Thailand should be a Switzerland of the East. However, as a country situated at a strategically important location, Thailand would take a high risk if it should pursue this kind of neutrality.

The reason is that while Thailand and the ASEAN countries proposed peaceful negotiations, Vietnam constantly turned to the use of force to provoke Thailand in the border areas. What this amounts to is that if Thailand called off its alliance with the countries of the free world, which used to be the guarantor of its security, then Thailand would isolate itself more and more. And in doing so Thailand would facilitate its own invasion by Vietnam.

(2) The policy of peaceful coexistence. Document 6601 indicates that, used externally, the principle of peaceful coexistence means peace. But for internal use it means the expansion of revolution by communist countries to capitalist countries. However, the socialist countries have the desire to live in peace with the capitalist countries, except in special cases where the security of the socialist countries is involved.

The socialist countries of Indochina, too, wish to have peace and good relations with Thailand. If there are incidents along the Lao-Thai border or the Kampuchean-Thai border areas, it does not mean that Laos and Kampuchea want to go to war with Thailand. The normal relations with capitalist countries are, in general, the truth that can be relied upon. If Thailand wishes to restore its relations with those socialist countries it can do so. Then the situation along the border areas will ease up.

That aspect of the peaceful coexistence policy of the Indochinese socialist countries which will be a threat to Thailand is that aspect in which they support the Communist Party of Thailand. Therefore, the way to counter the socialist countries' foreign policy is to eliminate the people's war of liberation by the Communist Party of Thailand. Only then will the relations with the socialist countries benefit Thailand.

Thailand has to do this because the socialist countries separate the relations between states from the relations between parties.

#### Thai-Indochinese Policy: Each Headed in a Different Direction

If we were to consider the goals of the many approaches, we would find one thing in common, and that is, each specifies that the conduct of foreign policy must be primarily for the interests of the nation, and must not align the country with any major power more closely than necessary.

Although many ideas have been advanced on how to solve the problems that exist in the relations between Thailand and Indochina, it is believed that the military group, which plays the most important role in formulating foreign policy at present, will continue to adhere to the traditional policy. It is therefore difficult for the new ideas that have been proposed to be adopted for practical use.

Whatever the case may be, when the international situation changes the ideas of different groups may come into play, and at that time Thailand's foreign policy may shift.

MONG KHAI DISTRICT OFFICER NOTES PROBLEMS WITH LAOS

Bangkok KHAO CHATURAT in Thai 13 Jun 83 pp 42-43

[Text] The building that housed the office of the Pon Pisai District was different from other district office buildings in general. It was an old style building on the ground level, painted in beige. It looked like any provincial city hall of the old days--city halls that were built in the days of absolute monarchy. The strangeness of the place made me wonder if I had arrived at my destination. Finally, I saw letters written in white on a board painted in dark green. The letters said: "Office of Pon Pisai District." Then I was convinced that I had arrived at the right place.

The office of the district officer was located in the back of the building. It was a big room with a high ceiling. There was no definitive partition from other offices. But the wall was decorated with a map indicating the district jurisdiction and other timetables and projects. These were enough to indicate that it was the command center of a first-class district; and it stood facing "Don Sangkee," a big island in the middle of the Mekong River that served as a military post for the Lao People's Democratic Republic, or what the Thai officials along the Mekong border area habitually called the "LPDR."

I reached Pon Pisai District in the late morning of 5 April 1983, in a trip along the Mekong River that enabled me to come into contact with the Thai-Lao border areas, which stretched from Chiangaan in Loei Province to Chanuman in Ubon Ratchathani Province. The Pon Pisai District officer was a handsome, good-looking young man by the name of Panyarat Pantong. His speech was indicative of his modern education and progressive thinking. His last name brought to my mind the fact that he might be a member of the Ministry of Interior family.

"Pon Pisai is an area that commands a strategic importance," the district officer said. "We are both watching each other. Because of the locations, we have to face each other. It is particularly dangerous during the dry season. This is because the people can come and go by just walking across the Mekong River. And the people on both sides of the river are relatives. They are constantly visiting each other. Sometimes, they make an appointment to meet in the middle of the river. But the forces on the other side are not always friendly to us."

"Don Sangkee is important," continued Mr Panyarat Panyong. "It is a big island located in the middle of the river, just opposite our district office. And it is an important strategic point for Vientiane. It covers 3 square kilometers of land. If Don Sangkee were in our hands, it would be tantamount to our being able to control all of the areas on the other side of the river. Because behind Don Sangkee is strategically important Highway 13, the only highway that links Vientiane with Pakse. Highway 13 is an economic and strategic lifeline of the LPDR. So, the other side is very possessive of Don Sangkee. If our naval patrol boats should pass closely by the island, they would consider that a provocation. There have already been incidents. Don Sangkee is just like a hornet's nest. It should not be provoked."

Pon Pisai District is about 40 kilometers east of Nong Khai via Highway 212, which winds along the Mekong River bank from the city of Nong Khai proper to Mukdahan Province. It has a 50-kilometer common border with Laos. In general, Pon Pisai has a rather high economic standard. And the fact that it has a population of 136,000, its status was raised to that of a first class district.

I took the opportunity to ask the district officer about the refugees from Laos, for I knew that the district used to be one of the crossing points for refugees in the past--to which he answered that there were three kinds of refugees: First, there were Lao refugees who crossed the river to Thailand, temporarily, because they were pressured or because they were suffering from famine; second, there were about 600 Vietnamese refugees, most of whom have been there for a long time; and last, there were the Mong or Maew hill tribe people.

"The Vietnamese refugees know that we are suspicious of them. I notice that they live quietly. They have never done anything awkward. And they have cooperated well with the authorities. Although they have suffered at times, they have not said anything. We control their occupations. If they want to go out of the district's boundary, they have to ask for permission first," explained the district officer. "As far as I have noticed, they seem to live in harmony; they have never had any quarrels; they just live quietly."

When I expressed my interest in the education of the Vietnamese refugees' children in Pon Pisai District, District Officer Panyarat told me that our Ministry of Interior pursued the policy that required the Vietnamese children to study the Thai language so that they could speak and read Thai texts. And more importantly, it would make them "think in Thai." But it seems that the Ministry of Education has a different policy.

"In my area, the Vietnamese are trying very hard to learn Thai. They even hired a Thai instructor to teach Thai language to the adult Vietnamese. We train them to be upstanding. Our control is mostly on their way of life, their thinking, their knowledge, their education; and it seems to be effective," the district officer said finally.

I asked the border district officer about the problems that worried him--this after I noticed the fatigue lines on his face, the face of a young man who

share the burden and responsibilities of keeping peace and quiet and that of development of the 1,086 square kilometers of sensitive and threatened land.

"I can give it to you straight that I am worried about people," the district officer said with a little smile. "I am a district officer who represents the Ministry of Interior in this area; but I do not have a complete team of people of my own for my job here. Some units here are directly responsible to me; but for some units I cannot give them a direct order. The teachers, for example, are independent. Those I can really use are the hamlet and village headmen, some of whom are too old, and some of whom lack the basic knowledge that is required. Pon Pisai has 14 hamlets and 174 villages. Of these, 22 villages are on the bank of the river."

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CSO: 4207/117

CPM PROSPECTS IN SOUTH REVIEWED

Bangkok PATINYA in Thai 13 Jun 83 pp 21-25

[Text] Of the four or five major problems facing the south, the problem of Malayan communist guerrillas (Jor Kor Mor), otherwise known as the Communist Party of Malaya, is considered to be one that has given Lt Gen Harn Lennanom, who is currently commander of the 4th Region Army and creator of the "Peace for the South Policy," quite a bit of a headache. However, after a long and hard campaign against each other, the seriousness of the Malayan communist guerrilla problem has been reduced considerably--to the point where some of the guerrillas have abandoned the armed struggle and have turned themselves in to the authorities in increasing numbers. In particular, the latest reports indicate that within 1 month from now a major surrender will take place; over 600 Malayan communist guerrillas will turn themselves in to the authorities in Yala Province. They will give themselves in as "comrades in the development of the Thai nation," much the same way as the communists in the northeast of Thailand have effectively done. As the revolutionary forces of the Malayan communist guerrillas continue to weaken, many are beginning to jump to the conclusion that the future of these guerrillas is no different from that of a terminally ill person who is awaiting death.

Power of a New Kind of State

Regarding the deployment of all the Malayan communist guerrilla forces at present, Regiment 8, with 100 armed men and led by Ek Chiang, extends its influence over Sadao, Na Tawee, and part of Saba Yoy Districts, in Songkhla Province. Regiment 10, which has about 575 men and is led by Abdullah Sidi, deploys its forces in Waeng King, Sukirin, and Si Sakhon Districts, Narathiwat Province. Regiment 12, with 400 men and with Ali at its head, operates in Betong District, Subdistrict Tan To, Bannangstar and Yaha Districts in Yala, and also in Saba Yoy and Na Tawee Districts of Songkhla Province. There is also an additional 400-man force operating inside Malaysia, in the areas of Kalantan, Pahang, and Kedah states. Moreover, Region 2, which is pro-Russian, has about 825 men led by Ah Lin, and operates in the areas of Betong, Bannangstar, and Yaha Districts, and Tan To Subdistrict, Yala Province. These are the same areas controlled by Regiment 12; but the two have agreed that the Yala-Betong highway would be a dividing line and each would operate on its own side of the jurisdiction.

The principal sources from which the Malayan communist guerrillas obtain their supplies are the fees for the protection of rubber plantations, mines, bus routes, and road construction contractors.

However, what the Malayan communist guerrilla groups fear a great deal is the fact that they have fled into the Thai territory in order to escape the suppression by the Malaysian authorities. If they should again face the suppression from the Thai side, it could spell great disaster for them. This is because it would mean a two-front war for them. Thereafter, the Malayan communist guerrillas have, all along, been trying to make friends with the Thais by putting in the propaganda that they would respect Thai sovereignty, that they would not harm Thai officials, and that they would not destroy the property of the Thai people. At the same time, they also said they would help prevent the southern communist insurgents from withdrawing the four southernmost provinces from Thailand. Their efforts have included: On traditionally important Thai holidays, the Malayan communist guerrillas have always sent out their propaganda pamphlets, such as those that were distributed on New Year's Day in Tan Sri Subdistrict in Yala Province last year, and those in Sukirin Subdistrict, Narathiwat Province, which were used as New Year's-best-wishes papers. These inserts also contained other statements, such as: The Thai-Malayan Communist Party: (1) will respect the independence and sovereignty of Thailand; (2) admires Thailand's good customs and traditions, and its long history; (3) strongly opposes the Malaysian attempts to occupy Thailand's territory, as well as Malaysia's support for the attempts to secede the south from Thailand; and (4) opposes Vietnam's hegemony over Thailand.

In addition, the Malayan communist guerrillas have also been trying to create trust and faith in them among the Thai citizens. For example, they have intervened as a mediator in a dispute among the people over the ownership of the land in the Gaabing hamlet, Yaha District, Yala Province, and said they would distribute land to those people who have none. They have also taken part in Islamic religious festivities. For example, they joined the Thai Muslims in the celebrations of the Hari Raya Haji religious holidays on 26-29 September 1982.

Furthermore, the Malayan communist guerrillas have relentlessly incited the people and recruited new members, regardless of whether they are Thai or Malay. "Now I don't really believe the Malayan communist guerrillas still want to pursue their ideologies; I'm afraid they are becoming a savage group, a terrorist group more than anything else. This is because their principal work is to collect protection fees and seek other gains for themselves. Another thing is that those who have joined the Malayan communist guerrillas are criminals who are under sentences for minor crimes such as stealing up to the capital crime of murder. When we pursued them in order to arrest them, and this at the same time that they were being persuaded by the Malayan communists guerrillas, they went into the jungles to join the guerrillas. Then they regrouped to establish their own kingdom; it became a wild kingdom with barbarous power. The police alone cannot just move in and suppress them because they have arms, and their forces are many." That is the view of one official in Narathiwat Province.

## Thailand and the Problem of the Malayan Communist Guerrillas

Because of the intrusion into Thai territory by the Malayan communist guerrillas, and because of the establishment of their own wild kingdom with barbarous power in Thai territory, combined with the pressure from Malaysia, based on the Thai-Malaysian Agreement of 7 March 1970, which provides that Thailand and Malaysia must carry out the suppression of these Malayan communist guerrillas to the utmost (although the agreement does not provide that Malaysia must also suppress the southern communist insurgents escaping from Thai territory into Malaysia to the utmost), the problem of the Malayan communist guerrillas has become one of such high priority that Thailand has had to conduct continuous and severe operations of suppressions--so that the guerrillas suffered serious losses. An example is the case in which the headquarters of Regiment 8 located at Namkaang Mountain, Ta Tawee District in Songkhla Province, was captured during the "Peace for the South Operation 11"; or the case in which the headquarters of Regiment 10, located in Waeng District in Narathiwat Province, was captured and destroyed; or even the case in which "Peace for the South Operation 15" was conducted against Regiment 12. Although the headquarters of Regiment 12 was not destroyed, many of its small camps were demolished, and much of its influence was reduced in Yaha and Betong Districts in Yala Province during Operation 15.

These suppression operations have resulted in such great losses for the Malayan communist guerrillas that some of them have given themselves up to the Thai authorities; and this has continued since 1982. In 1982, about 110 Malayan communist guerrillas gave themselves up to the Thai authorities. And for this year, 1983, about 600 will surrender. "The guerrillas might have seen the sincerity of the 4th Army Region Commander who has 'knived' a great many bad officials. Secondly, the guerrillas themselves are tired. For example, when we continuously questioned some of them, they would answer that the Malayan communist guerrillas had promised them this and that. But once they went into the jungles, they got nothing; and this was in spite of the fact that the Malayan guerrillas told them to go ahead and get anything from anybody. Still, they could not get anything. And this has gone on for 10 years, 20 years. And so these guerrillas got sick and tired," Col Wirat Malai-wong, head of the regional border committee, told PATINYA.

At the same time, a source from Area 43 of Sirindhon Camp also told PATINYA: "The matter relating to the surrender is now with Maj Gen Panya Singsakda, commander of Division 5, who is also commander of the Joint Thai-Malaysian Task Force. I think this matter will be finalized soon. And those who will surrender are from many areas. Whatever happens they will certainly surrender. This is because the Malayan communists have been pressured by us, so much so, that they have lost their morale and encouragement. They were in complete disarray. So, when we launched our political campaign to persuade them to surrender, they gave in. They will come out, as you'll see."

And on the observation as to why these guerrillas are coming out of the jungles to surrender to the Thai authorities, instead of giving themselves up to the Malaysians, the same source explained: "Well, there are also those guerrillas who have been released out of the jungles. But as to who released them,

it's better not to mention that because doing so could affect our relations with other countries. It is reportedly said that if the Malayan communist guerrillas turned themselves in to the Malaysian authorities, they would be tortured, or killed, or their penis would be chopped off, and so on. And these reports have made the guerrillas very fearful; and so they are turning themselves in to the Thai authorities. And if you want to take a broader perspective of the problem, you'll see that there will be a burden in caring for and settling those who will surrender. Who would want to take them? It really isn't fair at all that we have to shoulder this burden. This is not to mention the fact that these people could become a thorn in the side (security risks)."

#### Surrender With Conditions

This will be similar to the surrender of those "comrades in the development of the Thai nation" from the northeast. As a result, the surrender of some 600 Malayan guerrillas will be on these three conditions:

"(1) The Thai Government must give them Thai nationality; (2) The Thai Government must help find a place of settlement and jobs for them; and (3) For the guerrillas at the highest level, the Thai Government must allow them to carry a shotgun for self-protection, as well as give them the types of jobs that afford them some respect and dignity--jobs that are related to government affairs, such as being village defense volunteers or village chiefs.

"The reason we have to grant them Thai nationality is because the agreement which we have concluded with the Malaysians clearly provides that if a surrender takes place, the surrendered must be returned to the country whose nationality they hold. And most of those who are coming out to surrender to us hold Malaysian nationality. If we insist on sending them back to Malaysia, then they will not surrender. This is because there have been reports that if they return they will certainly be killed. So, the only way they can stay in Thailand once they have surrendered is to change their nationality to Thai," one source in the 4th Army Region disclosed. At the same time, one commanding officer who is involved in the handling of the surrender, confided to PATINYA about the obstacles that will occur when the guerrillas surrender:

"It's hard to fulfill the conditions that they have set forth. It's not that easy to give Thai nationality to people. A law has to be passed in order to do that. But as far as this is concerned, we will look for a way out by reading them a card first, and then if they behave themselves, they will get Thai nationality within the next 3 to 4 years, etc. On a place for them to settle, even though it looks as if there will be no problems, there will actually be problems. This is because if we give these people a piece of land where they can make a living, the Thai people who are poor will protest as to why they do not get a piece of land, too. They will say, how come the land is given to foreigners. Then the condition on shotguns will also cause a very serious problem. Even we who are out-of-uniform officials do not have the right to carry a shotgun. The commander of the 4th Army Region will certainly not comply with this demand. The main principles to which we adhere are the

three "surrenders": Surrender yourself, surrender your heart, and surrender your weapons. Now if they refused to surrender their weapons, then we would know if that would mean that they would not surrender their hearts or that they would really stop fighting. This is a difficult matter. Not at all as easy as the problem of the surrender by the communists in the north and the northeast. And if they should surrender simply in order to come in to carry out terrorist activities in our cities, then we would be in for it. Because as soon as they surrender, it would be like giving them a pass with which they can conveniently go anywhere. We cannot arrest them for going places. So, it is very difficult for us to accept their conditions. If we ourselves should agree to accept their conditions, then what would happen if our superiors refused to go along. The guerrillas would accuse us of not keeping the agreement. They would shoot and kill us."

Furthermore, the Malayan communist guerrilla problem is an international one. And that makes it rather difficult for the Thai officials to negotiate with the guerrillas. "To take them in as 'comrades in the development of the Thai nation,' we must first negotiate at a high level with foreign countries; we must think a great deal about Malaysia. Or this could become an international problem," Maj Gen Chalard Niyomthai, chief of staff of the 4th Army Region, told PATINYA. He added, "If any of them is involved in a criminal case, then they will be criminally prosecuted first. But for the crimes which they have committed against the state or for noncriminal crimes which they have committed against the people while with the guerrilla movement, they will not be prosecuted. These are such things as clashes against the Thai officials and others." This seems likely to be a problem that will reduce the numbers of guerrillas who will surrender because most of them seem to have a criminal record, even before they went into the jungles.

There are also problems that have been created by some of the guerrillas themselves. Some of them are against the surrender by others of their comrades, resulting in a campaign against surrender. There are also problems in which situations have been created to make Thais even more hostile to the Malayan communist guerrillas. The explosion of a bomb in Yala Province on 25 May, which was meant to be a reception for Mr Banyat Bantattan, minister attached to the prime minister's office, who was on his way to preside over the opening ceremony of the customs and cultural affairs exhibition of the four regions of Thailand, was one of the incidents that had a mysterious backing.

Although there are innumerable problems, the trend suggests that success is highly possible--so that the group of Malayan communist guerrillas in question will soon emerge to join us in our national development process. This means that our chances of eliminating the problem of Malayan communist guerrillas from our file of priority problems can also occur.

In any case, amid the decline of the Malayan communist guerrillas--to the point of awaiting their death (according to the Thai officials' conclusion), there are still a great many problems to be considered. These include the questions: Are the guerrillas truly surrendering? Or are they surrendering only to avoid losses that result from heavy attacks by the Thai side, which have already

taken place? If the latter is the case, then the ones who will be awaiting death will be Thais rather than the guerrillas.

Furthermore, if we look back to the beginning it cannot be denied that since Thailand was drawn into the Malayan communist guerrilla problem, many lives have been lost, a great deal of blood has been shed and an enormous amount of property has been destroyed; and the main purpose of all this is to solve problems for others. Therefore, we should reconsider with great care the burden resulting from the Malayan communist guerrillas, and in doing so we should keep the interests of the nation in mind, instead of acting like a good and generous guy waiting to take care of every problem. And in the end the problem becomes a rope that fastens around our own neck, as we now witness.

Well, at least that is what the Indochinese problem has become!

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**EXTRACTIVE INDUSTRY OUTPUT, VALUE DROP**

Bangkok LAK THAI in Thai 9 Jun 83 pp 32, 33

[Text] On 18 May, the Mineral Resources Department, which is directly responsible for the mining industry, made an interesting announcement about the changes that have taken place in the mining industry circles, by disclosing the production output of several minerals in Thailand during the first 3 months of this year. The announcement said Thailand produced a total of 2,273,300,000 baht's worth of minerals during that period. This is considered a big difference compared to last year's production. During the first 3 months of last year, Thailand produced 4.11 billion baht's worth of minerals, a 45 percent gain over the first quarter of this year.

On the export side, Thailand exported 1,930,600,000 baht's worth of minerals during the first quarter of this year, or 53 percent less than that of the same period last year.

The reduced production of 53 main types of minerals and the reduced exports of these minerals have directly affected the royalty revenues of the government. In the first quarter of this year, the Mineral Resources Department was able to collect only 466 million baht in royalty compared to 1,002,800,000 baht collected during the same period last year.

These figures indicate that the declared policy of every Prem administration, from the first to the third, of seriously promoting the mining industry, has not been pursued. The truth is that the mining industry during the past 2 to 3 months has remained at the same level or has been declining; there have been no signs of improvement at all.

"I think the reason our mining industry has not improved is because the mine owners have had to shoulder a heavy burden. On the one hand, they have to bear the burden of the royalty collected at the highest rate in the world by the Thai Government (34.5 percent). And this first problem has resulted in the second problem, and that is, the miners do not have enough money to put into the exploration of new mines. The mining industry has, therefore, been shrinking, so to speak, during the last 5 years," chairman of the Mining Council, Mr Rachan Kanchanawanit, told LAK THAI.

And whether the reality is indeed what the chairman of the Mining Council has said, the production of tin, Thailand's most important mineral, during the

first quarter of this year is 43 percent less than that of the first quarter of last year. Last year's first quarter saw the production of 14,221 metric tons of tin, at 3,447,600,000 baht. This year, during the same period, only 8,174 metric tons of tin, valued at 1,780,100,000 baht, were produced.

On the export side, during the first 3 months of this year, 5,650 metric tons of tin were exported at 1,646,700,000 baht, a reduction of 47 percent over the same period last year.

"I think the figures disclosed by the Mineral Resources Department do not correspond with the reality. This is because the first 3 months of mineral production this year has been considered a 'golden period' for illegal mineral producers, who have managed to smuggle no less than 100,000 standard metric piculs of tin to Singapore and Malaysia. That is worth 1.2 billion baht. The truth is that the legally sanctioned mining has been having a hard time. The illegal mining has prospered," one mining industry source disclosed to LAK THAI.

"Mr Ob (Industry Minister Ob Wasurat) said he would crack down on illegal mining; and so we were pleased. The way I look at it now is that if Mr Ob can really crack down on illegal mining and wipe it all out, he should be made minister of industry for life. Because in the past no one has been able to do that. We all know that green uniforms (the military) are behind every illegal miner. That is why nobody wants to touch them," a miner who has been complaining for so long finally told LAK THAI. This confirms the conclusion that illegal mining is the principal problem plaguing the mining industry today.

#### THAILAND'S MAJOR MINERAL PRODUCTION OUTPUT

Type of Mineral	Jan-Mar 1982		Jan-Mar 1983		Percent Change (Production)
	Quantity (Metric tons)	Value (Millions of Baht)	Quantity (Metric tons)	Value (Millions of Baht)	
1. Tin	14,221	3,447.6	8,174	1,780.1	-43
2. Fluorite	68,928	120.6	52,457	90.1	-24
3. Lignite	408,178	66.5	545,479	88.9	+34
4. Gypsum	220,863	80.1	176,077	69.0	-20
5. Barite	115,969	100.8	65,474	56.4	-44
6. Lime (Cement Industry)	1,574,805	39.4	2,029,867	50.7	+29
7. Tungsten	481	96.6	327	44.0	-32
8. Lead	16,389	110.7	8,700	40.6	-47
Others		47.7		53.5	
Total		4,110.0		2,273.3	

THAILAND'S MAJOR MINERAL PRODUCT EXPORTS

Type of Mineral	Jan-Mar 1982		Jan-Mar 1983		Percent Change (Export)
	Quantity (Metric tons)	Value (Millions of Baht)	Quantity (Metric tons)	Value (Millions of Baht)	
Metallic tin	10,742	3,611.8	5,650	1,646.7	-47
Metallic tin mixed with lead	116	25.0	145	23.6	+25
Fluorite	38,253	72.4	38,335	63.5	+0.2
Barite	80,342	77.2	51,580	46.8	-36
Tungsten	492	83.5	320	36.7	-35
Gypsum	41,582	15.5	77,120	32.7	+85
Lead	12,790	66.2	7,400	32.5	-42
Tin slag	884	118.2	284	20.8	-67
Others	-	48.1	-	27.3	-
<b>Total (Value)</b>		<b>4,117.9</b>		<b>1,930.6</b>	

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## MILITARY AFFAIRS AND PUBLIC SECURITY

### CHINESE TRAINED VIETNAMESE SPY CAPTURED

HANOI QUAN DOI NHAN DAN in Vietnamese 26 Jun 83 p 2

[Article by Tran Su: "The Spy Nguyen Van Giang Is Punished"]

[Text] Nguyen Van Giang was born and grew up in a lowlying area in Phu Xuyen District, Ha Son Binh Province. In October, 1977, as was his aspiration, Giang was accepted for employment by the Lam Dong Water Conservancy Service as a manual worker. He thought that if he went somewhere else both his spiritual life and his material life had to be much fuller than in the countryside; but during the days and months he spent working in Lam Dong, although he appeared happy and had plenty of dear friends and acquaintances within his unit, he ate poorly, had very few pictures taken of himself and became despondent over the need to report and request permission whenever he wanted to go somewhere to enjoy himself.

After he had been there for less than 1 year, Giang left the agency and returned to his native village where he wandered about and worked as a peddler. During a long distance smuggling run from Ha Song Binh to Ho Chi Minh City, Giang stopped at the house of Nguyen Thi Oan, his aunt, who brought out her photo album to show him pictures of Nguyen Van Chung (her husband) that had been sent from the United States. The big, shiny cars and multi-story buildings with their modern conveniences dazzled him and the American and Japanese girls in their different styles of dress excited him. And, urged on by the thick letters from Chung describing the life of "plenty and comfort" in the "free" world, he nurtured the thought of leaving the fatherland and going to live in some far off land.

Upon his return to Phu Xuyen, he persuaded Nguyen Van Tien to flee with him. Encouraged by a few decadent elements, they planned to cross the border into China and continue on from there.

On a night in July 1981, after nearly 1 week of hiding in the forests, Giang and Tien crossed the Sino-Viet border. They made their way to the Nam Ninh Public Security Department in Van Nam where they reported their presence, asked permission to reside in China and asked for assistance in reaching a third country. After employing every clever interrogation trick he knew, the head of the Nam Ninh Public Security Department immediately gave thought to

training Giang and Tien as lackey spies in order to send them back to Vietnam. Giang was given lodging in a rather nice apartment with full conveniences and was visited each day by a 20 or 21 year old Chinese woman who brought him food and water and satisfied his sexual desires. After 4 weeks of this idly life, he began to be trained within his apartment in the methods and tricks of spy work, in how to assess situations and make reports, with the sweet smelling Chinese girl constantly by his side.

In late September 1981, having trained and equipped him, Giang was sent by the Chinese public security sector back to Vietnam with the mission of assessing the military, economic and social situations and the attitudes of the people toward the party and state in Hanoi and Ha Son Binh Province. He was to send a report each month to the Nam Ninh Public Security Department to an address stipulated by the Chinese public security sector. He was to look for ways to provoke the masses into opposing the government and create social disorder. He was to make contact with decadent elements, especially degenerate and deviant cadres and personnel of the state, and develop them into a base of China.

Alerted and assisted by the people, public security soldiers closely observed each of Giang's activities from the time he first set foot back in Vietnam. He and his accomplices were arrested for the crime of espionage with all the evidence that was needed--a "situation report" to the Nam Ninh Public Security Department in China that they did not have time to send.

A youth who was raised and educated and who grew up under the socialist system but who demanded enjoyment and pleasure but not through his own sweat and labor, Nguyen Van Giang, the adventurer, became Nguyen Van Giang, the traitor.

In recent years, the Chinese reactionaries have made every effort to discover and win over elements such as Giang to serve their plan of sabotaging Vietnam. However, the fate of traitors is clear. Regardless of how cunning or evil they might be, regardless of the cover they assume, they are all ultimately exposed by our people and harshly punished under the laws of our state.

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CSO: 4209/479

## MILITARY AFFAIRS AND PUBLIC SECURITY

### CHINESE REPORTEDLY USING SNARE TRAPS ALONG BORDER TO KIDNAP PEOPLE

Hanoi QUAN DOI NHAN DAN in Vietnamese 26 Jun 83 p 2

[Article by Manh Vu: "A Snare Trap for Humans"]

[Text] These news that Public Security Chief Hau Mi Va had disappeared without a trace upset everyone in the Pu Chen area. Some persons maintained that Va had gone to hunt in a restricted forest in which many wild animals roamed and was attacked and eaten by a tiger. One person said that he had seen Va hunting in the forest close to the border and that he had been kidnapped by Chinese intelligence agents and taken to China. Va's neighbors and family were worried and crying. The local government and people had sent persons to look for him many times but they still could find no trace of him.

The day, while many questions about Va's disappearance remained unanswered the cadre in charge of Unit H. of the local troops stationed within the border defense zone, arrived at the border defense station and reported that soldier Nguyen Anh had gone into the forest to pick bamboo leaves to make rice cakes weeks ago and has not been seen since. He suggested that the border defense post provide him with assistance. The post commander thought to himself that the persons who had disappeared were a key village and a soldier working along the border. The possibility existed that the enemy had secretly kidnapped them in order to extract from them information on our border defenses. But how did they kidnap them? What times and places were the focus of the enemy's attention?

After analyzing the situation, the post commander decided to take action.

The day, an elderly person named Ha in To Village (Lang Son) arrived at the post and reported that while he was hunting in the forest that day near the border, he saw a large, carefully camouflaged snare trap. He examined it and determined that it was not the kind of trap used by the local people to trap animals. Reconnaissance troops were secretly sent to examine the trap. The sturdy iron grating told them that it was a trap for humans. Who was using it? What was happening gradually became clear. The post immediately sent a patrol unit to set up an ambush in the area around the iron trap. The unit remained there for an entire day and night without eating or sleeping but still saw no one come to the trap. At approximately 1200 hours on the next day, a man about 40 years of age wearing a dark blue shirt and a sheathed

knife on his hip approached from the other side of the border. When he was near the trap, he stopped to pick medicinal herbs but raised his eyes every now and then to check the surrounding area. When he saw nothing that would make him suspicious, he silently walked over to the trap and removed the leaves to examine it. Suddenly, our soldiers charged forth, apprehended the man and took him back to their post.

Sited in front of the interrogation desk of the post commander, he identified himself as Trang Co Xinh, a member of the Dao ethnic minority, from the Xe Pha Commune in China. The post commander interrogated him in the Dao language:

— "For what purpose did you infiltrate Vietnam?"

— "Sir! I went out to pick medicinal herbs and crossed into Vietnam because I became lost in the forest. I never knew about that iron trap out there."

— "How long have you been an herbalist?"

— "Herbalists have been in my family for three generations!"

The post commander broke into laughter:

— "You're a real expert, you are! You say that there have been three generations of herbalists in your family yet you were out there in the forest picking herbs at mid-day in the scorching heat. Even a layman such as I who knows little about medicinal herbs knows which hours of the day are best for picking herbs, which is something you apparently don't know."

The color of Xinh's face changed and he cast a furtive glance around the room. Realizing that Xinh was panicking, the post commander continued his attack:

— "You are not telling the truth! Why, if you were searching for medicinal herbs, did you have nothing with you, not even a shovel to dig roots? Or is it that you do not know how valuable the roots of medicinal plants are?" Pausing for a moment as if to gauge Xinh's attitude, the post commander delivered the final blow: "Aren't the medicinal herbs merely a pretext for you to infiltrate Vietnam to commit crimes?"

When he heard the post commander say this, Xinh began to mumble and stutter, unable to speak. In order to bring his opponent to his knees right then and there, the post commander ordered the man on duty to bring in the iron trap and place it on the desk. He pointed to it and insisted:

— "If you want to return to your wife and children alive, you had better tell the truth. Who sent you to Vietnam to set up that trap? Who showed you where to put this human snare trap? Where are the persons you kidnapped now?"

Xinh's face turned ashen and he began to perspire profusely. Realizing that he had nothing to gain by continuing to be evasive, he had no choice but to tell the truth. The Chinese Public Security Agency had assigned him the mission of impersonating a person in search of medicinal herbs, crossing the

order, establishing contacts with local reactionaries and placing traps along the border in order to kidnap cadres and soldiers, take them back to Taiwan and extract intelligence information from them to serve the immediate and long range sinister schemes of China.

From the several cases involving the disappearance of persons within their area of operation, border reconnaissance soldiers quickly learned the new kidnapping methods of the enemy in order to alert cadres and the people and adopt a plan to effectively deal with it.

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## MILITARY AFFAIRS AND PUBLIC SECURITY

### ARTICLE NOTES USE OF 'NEW SABOTAGE METHODS' ALONG BORDER BY PRC

Hanoi QUAN DOT NHAN DAN in Vietnamese 26 Jun 83 p 2

[Article by Le Dung: "Some New Sabotage Methods of the Enemy Along the Border"]

#### [Text] The Use of Poisons

Recently, merchants along the border, under the guidance of the Chinese public security sector, have been sending goods across the border from China. Inspections have revealed that some products, such as thermos bottle stoppers, the base of the covers of dry cell batteries and so forth, contain poisons. When the metal cover has been pried from thermos bottle stoppers, two small gray pills have been found which, when ground up, mixed with rice and fed to chickens caused them to die and when mixed in water and poured on the roots of a tree caused it to whither. Some persons who have taken medicine, such as medicine for stomach pains or headaches, that is, the commonly called "headache medicine," have experienced more pain instead of feeling better!

#### The Water Buffalo Tricks

In H. Province, they are using buffalo in place of soldiers by driving them across our mine fields on the border to detonate the mines there and disrupt our border defenses.

Buffalo are also being used in another way. They send commandoes and espionage agents into our country to steal buffalo from our compatriots and take them back to China; then, in a show of "benevolence," they notify the persons in our country whose buffalo have become "lost" to come to China to get them. Some gullible persons actually go to China to retrieve their buffalo. There, Chinese public security agents immediately try to extract information from them, give them food and drink to make our compatriots feel indebted to them and give them gifts and their buffalo when they leave. And, they do not forget to tell these persons to come right back to China the next time that their buffalo becomes "lost."

### the "Fire Attacks"

In Lai Chau Province, the Beijing reactionaries have been using "fire attacks" to oppose and attack us. During dry weather, when the wind is blowing toward the south, they set grass fires along the mountains and hills so that the fires spread from China into our country, detonate mines and burn booby traps in order to disrupt our defenses; at some places, they have set fires to burn into newly planted forests and even into the defense positions of the local militia.

### "Capital Assistance"

The Chinese public security sector has also conspired with and used a number of persons to serve their own political and intelligence objectives. Through their agents, they have tried to win people over with sugar coated words: "Because we see that you are encountering difficulties, China wants to give you capital to take back to your native villages so that you can earn a living"(!); the more people they persuade to go to China and "obtain capital with which to earn a living," the better.

Some gullible persons have gone to China to "obtain capital." But, they did not get much capital the first time that they went and had to go back a few more times to get enough money. Some greedy persons told them that they were not going back until the Chinese gave them 100,000 dong. So, the enemy established a requirement. Every time they crossed the border, they had to bring information to the Chinese; if they brought much information or important information, they would be given large sums of money, thereby slowly turning them into spies. This "capital" is multiplied when these persons return to their localities and become spy bases concealing Chinese intelligence agents and public security personnel on a permanent basis.

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CSO: 4200/479

## MILITARY AFFAIRS AND PUBLIC SECURITY

### INSPECTION STATION PRAISED FOR EFFORTS AGAINST SMUGGLERS

Hanoi QUAN DOI NHAN DAN in Vietnamese 26 Jun 83 p 2

[Article by Lam Hung: "The Pom Lot Transportation Inspection Station (Dien Bien Phu) Thwarts Negative Phenomena"]

[Text] Established in 1979, the Pom Lot Transportation Inspection and Security Police Station (Dien Bien Phu) has the task of controlling and protecting transportation along two main roads nearly 60 kilometers long, the one from Dien Bien to the border highlands and the one from the Dien Bien to Tay Trang, which are also main transportation routes across the border. On an average day, 200 vehicles pass by the station and, on some days, as many as 350 pass by. Smugglers who earn their livings illegally and dishonest drivers conspire with one another to use these transportation routes to smuggle goods and steal property and goods of the state as they are being transported. They leave the country with gold, silver, precious gems and precious metals belonging to the state and return with opium, MSG, brocade cloth and many other goods that they sell at a profit. One person brought back nearly 40 kilograms of opium, more than 300 kilograms of MSG and 300 meters of expensive cloth. To protect transportation well along these routes and wage an effective struggle against negative phenomena, the transportation security police of Pom Lot Station have undertaken the task of mobilizing the masses to maintain security and order in Sam Mun Village, a village that measures more than 60 square kilometers and has a population of nearly 10,000 (of which persons of the Thai ethnic minority and ethnic Vietnamese constitute as much as 95 percent). And, the village is also the site of the Ban Phu Market, a place where persons who earn their livings illegally and smugglers routinely conduct clandestine transactions.

Having undertaking this task in such a complex area of operation, the cadres and soldiers of the station, who are not many in number, had to immediately turn their hands to the fight to protect state property in the spirit of attacking the enemy 24 hours a day as soon as the arrived to build their station.

At the same time, the soldiers of the station have had to build and improve their eating facilities and living quarters. They have closely coordinated undercover work and public patrols and inspections with launching and building

interest of the masses to maintain the security of the fatherland. The Pom Lot Station's people's police have gradually made inroads against the illegal operation of criminals. In the past 2 years alone, they have apprehended a total of four criminals attempting to cross the border illegally, discovered thousands of smugglers, persons who earn their livings illegally and dishonestly, and reclaimed for the state more than 40 pounds of gold, 60 pounds of opium, hundreds of silver coins, thousands of pounds of MSG, more than 7,000 meters of cloth and many other pieces of property and goods worth millions of dollars.

As a result of displaying a high spirit of responsibility in their work and in the fight against negative phenomena, the collective of cadres and soldiers at the station has, by means of careful thought and research, determined 21 different methods for hiding goods on 11 different types of means of transportation used by dishonest persons who transport goods illegally; these 21 methods have become the basis of the immediate and long-range struggle waged by the collective.

Extremely interested in studying the activities of the enemy so that they can continuously attack the enemy, the soldiers of the Pom Lot Station have exposed, one after the other, the methods employed by the enemy to hide goods, such as hiding cloth in seat cushions, hiding MSG in truck tarps and mufflers, hiding opium and other types of goods in automobile axles and then having the automobile towed as though it were broken down, etc. The soldiers have also closely coordinated with the various troop units stationed within their area of operation, established joint patrol teams and implemented the four "togethers" (eating together, living together, working together and living and studying together as though they were in one unit), thereby always achieving the strength of coordination among the armed forces and performing their transportation security task well.

As they have fought and worked within their complex area of operation, an area within which profiteers and smugglers use money and goods in an attempt to buy and bribe them, the soldiers of the unit have displayed strong qualities at the position where they fight and work.

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Date: 4/20/479

## MILITARY AFFAIRS AND PUBLIC SECURITY

### ARMY EDITORIAL ON ROLE OF MILITIA IN COMBATING SABOTAGE

Hanoi QUAN DOI NHAN DAN in Vietnamese 4 Jul 83 pp 1, 4

[Editorial: "The Self-Defense Militia in the Task of Maintaining Political Security"]

[Text] Maintaining political security and social order and safety is an important task in defeating the multifaceted war of sabotage of the enemy.

The self-defense militia has the task of protecting the party, the government and the revolutionary mass organizations, protecting agencies, enterprises and the property of the state and collectives and guaranteeing the right of collective ownership of the laboring people.

Since their defeat in the two wars of aggression on the southwestern border and northern border of our country, the reactionaries within Beijing ruling circles, in collaboration with the U.S. imperialists, have been waging an intense multifaceted war of sabotage while making every effort to prepare for a large-scale war of aggression in a vain attempt to annex our country when the opportunity arises. The enemy is attacking us by means of many clever and insidious schemes, in many fields, from many directions, in many areas, by means of many different forces and through many different forms of attack. They have left nothing untried in their attempt to sabotage the construction of our country, sabotage socialist construction and sabotage the defense of our fatherland. They are constantly looking for ways to disrupt our order and security in order to easily intensify their acts of sabotage and evade our efforts to track them down.

Defeating this war of the enemy and maintaining political security and social order and safety are an important task of all the people. This struggle is closely linked to the struggle to resolve the question "who triumphs over whom" on the economic front and the struggle against negative phenomena in social life, consequently, it has become even more complex and decisive.

As the military force of the party on the basic level, the self-defense militia must truly serve as the nucleus of the movement of all the people to maintain the security of the fatherland and combat the multifaceted war of sabotage of the enemy. To play their role as the nucleus, as the shock force,

in self-defense militia must first be moral citizens in everything, full with the purity and love of the party, the laws of the state and the regulations of the locality and not allow the enemy to recruit saboteurs or bad persons to take advantage of the situation.

Maintaining political security and social order and protecting production within the locality are a constant task of the self-defense militia. To perform this task well, the self-defense militia must adopt plans for coordination with the public security forces, security forces and armed forces situated within the locality for the purpose of organizing patrols, guard duty, road checks and combat alert duty. The realities of the enemy's multifaceted war demand that the self-defense militia adopt plans for fighting the enemy in many areas. It is necessary to research and learn the schemes and methods of the enemy, formulate plans for fighting the enemy in many areas by conducting military training, skill training and maneuvers in accordance with plans while conducting inspections, providing supervision and periodically gaining experience in order to supplement the plans for fighting the enemy so that they are increasingly detailed and suitable.

The experience of many places has shown that the self-defense militia must be actively mobilized, thoroughly educated in their task and well trained so that they can adequately fulfill their task of combating the enemy's multifaceted war of sabotage. There must be close coordination between the self-defense militia and the security forces on the basic level and active participation on the part of the people in order for the security network to become increasingly widespread and strong.

In a war of sabotage, in contrast to a plan for a specific battle, the enemy usually fights in the style of "throwing a stone and hiding one's hand"; therefore, the self-defense militia must be taught to possess a high sense of vigilance, promptly detect acts of sabotage by the enemy and employ many available methods of fighting to insure victory in specific situations.

Maintaining political security and social order is a very strict requirement of the self-defense militia. Wherever there are self-defense militia forces, security must be maintained and these forces must be organized very well. Thoroughly educating and training the self-defense militia so that they are fully aware of the malicious schemes and methods of the enemy, are suitably prepared and trained and coordinate with the forces and people within the locality are the important factors in upholding the role of the self-defense militia in fighting every scheme of sabotage of the enemy and maintaining national security and order within the locality, thereby helping to win victory over the enemy's multifaceted war of sabotage and firmly protecting the socialist Fatherland.

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## MILITARY AFFAIRS AND PUBLIC SECURITY

### ARMY EDITORIAL ON SHORTCOMINGS IN MILITARY INDUCTIONS

Hanoi QUAN DOI NHAN DAN in Vietnamese 27 Jun 83 pp 1, 4

[Editorial: "Making Active Preparations in Order To Successfully Complete the Second Phase of Military Inductions in 1983"]

[Text] The first phase of military inductions for 1983 has been successfully completed. The entire country met 100 percent of the norm on the number of recruits delivered for induction and did so on schedule.

Many localities have endeavored to meet the requirements of inducting the persons who are drafted and delivering to the army the persons who are inducted. The delivery of recruits for induction to army units was carried out better than in previous years. Troop strength declined only slightly following recruit training. The provisions of the Military Service Law have been fully implemented by localities and gradually become standard practice.

The above mentioned results have been achieved because localities have attached importance to inductions as a central task of the locality, a task that must be closely led and guided. Many localities took the initiative and made preparations for the first phase of inductions in 1983 early, preparations which included determining the actual number of potential inductees, conducting medical examinations, evaluating qualifications and making up files. At the same time, the localities attached importance to properly implementing the policies concerning discharged military personnel and harshly dealing with violations of the Military Service Law. They adopted thorough, detailed plans for the delivery of recruits to the army; there was close coordination between the sectors and localities delivering recruits and the recruit receiving units of the army, consequently, recruits were delivered and received in a rapid, systematic and spirited manner, with the entire process being completed throughout the country in slightly more than 20 days.

Some localities organized the delivery of induction orders to youths or held frugal, solemn ceremonies to bid youths farewell. These actions caused youths to realize their obligation and responsibility more clearly and eagerly depart for induction into the army.

The communications-transportation sector made positive contributions by promptly, rapidly and safely transporting recruits to army units.

However, there were some problems in the first phase of inductions in 1983 that must be corrected: many localities did not continue to widely teach and propagandize the military service law and a rather large number of youths of military age who live at remote places, at weak installations and even within densely populated lowland areas, municipalities and cities have not yet fully studied the law.

The district, precinct, city and municipal medical examination councils under the provinces are still displaying many shortcomings with regard to examining and reaching conclusions concerning the health of each person. This fact proves that more attention must be given to cultivating the sense of responsibility and the professional skills of the cadres and personnel on the medical examination councils. The results of medical examinations are not being publicly reported as required by law.

The district, precinct, city and municipal military draft councils under the provinces do not directly evaluate and approve each person to be inducted before inductee roles are drawn up and presented to the people's committee on their level for a decision, rather, they usually turn all of this work over to the villages, subwards and towns, consequently, there have been cases in which inaccurate appraisals have been made. The lists of persons being inducted, persons who have received deferments and persons who have been excused from military service are not being publicly posted at installations.

The members of the military draft councils on the various levels are not fulfilling their responsibility as defined under the Law, consequently, their activities are not well coordinated and the strength of their collectives is not being employed.

Some troop receiving units have failed to make all the preparations required by recruit receiving and recruiting operations, thereby affecting the delivery and the receiving of recruits.

In order to conduct military inductions better during the second phase in 1984, many localities have urgently gained experience from phase one in 1983, promptly set forth leadership guidelines and made good preparations so that the required numbers of qualified recruits are rapidly and systematically delivered to the army during the second phase of military inductions in 1983.

Re-evaluating the results of the study and implementation of the Military Service Law during the first phase of inductions in 1983 on the basic level (the villages, subwards, towns, agencies, enterprises, installations and so forth) is a very important requirement. Through this re-evaluation, the installations must adopt plans for continuing their propaganda and educational effort with a view toward raising the sense of responsibility toward defending the fatherland and strengthening the national defense system among the people, especially among cadres, party members and youths, overcoming every negative phenomenon and vigilantly defeating the psychological warfare arguments and actions of the enemy. This propaganda and educational effort must be a concerted effort during the period of time that physical examinations are being conducted and when preparations are being made to deliver and receive

recruits so that all persons who are called for physical examinations and inducted into the army fully comply with their induction order.

It is necessary to strengthen the military draft councils on the various levels and organize the study of duties and tasks by the members of these councils in order to effectively improve the operations of the military draft councils during the second phase of inductions in 1983 and in subsequent years.

We must organize medical examination councils and provide them with an adequate number of specialized cadres and personnel and adequate equipment and implements so that they can reach accurate conclusions concerning the health of each person who is a potential inductee.

The localities must guide the installations in making good preparations for publicly announcing the lists of inductees, persons who have been deferred, and persons who have been excused from military service and publicly reporting the results of physical examinations. Because, these are specific provisions of the Military Service Law, provisions that are designed to uphold the right of collective ownership of the masses in military inductions.

Only with the close and direct guidance of the various party committee echelons and levels of government can we be insured of success in military recruiting.

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## MILITARY AFFAIRS AND PUBLIC SECURITY

### MURDERER OF TWO POLICEMEN GIVEN DEATH PENALTY

[from QUAN DOI NHAN DAN in Vietnamese 23 Jun 83 p 4]

[VNA News Release: "Harsh Punishments Handed Down to Several Persons Convicted of Robbery and Murder in Nghe Tinh Province"]

[Text] Recently, in Ha Tinh City, Nghe Tinh Province, the Supreme People's Court held a trial of the first instance to try Hoang The Phuong and his accomplices on the crimes of robbery and murder.

Hoang The Phuong (alias Phuong Te and Tuan), who was born on 12 June 1963 in Hong Gai City, Quang Ninh Province, is a professional hoodlum. In 1980, he was sentenced to 9 months in prison by the People's Court of Hong Gai City, Quang Ninh Province, for the crime of stealing the property of a citizen. After serving his sentence, he threatened many persons with a knife and robbed them of their bicycles, watches, cash and jewelry, creating disorder in Quang Ninh. Once, using a grenade, he injured a policeman who was performing his duty. In April, 1981, Phuong was sentenced to 4 years in prison. In October, 1982, he escaped from prison and resumed his life of robbery.

In early 1983, Phuong went to Nghe Tinh, where he continued to commit crimes. In Ha Tinh City, as he was being pursued by public security police following another of his robberies, Phuong grabbed a small child, held the child to his chest, pulled the pin on a grenade and threatened everyone. In their attempt to rescue the child and protect hundreds of persons in the vicinity, public security policemen Tran Duc Khang and Nguyen Xuan Khang were killed by the grenade thrown by Phuong and another policeman was injured.

Phuong's accomplices were Nguyen van Toan, Nguyen Gia Cuong and Dinh Si Hung; it was Toan who led Phuong into Ha Tinh City to commit crimes.

In view of the serious nature of the case and the charges against Hoang The Phuong and his accomplices, the Supreme People's Court handed down the following sentences: Hoang The Phuong: the death penalty; Nguyen Van Toan: 7 years in prison; Nguyen Gia Cuong: 5 years in prison; and Dinh Si Hung: 3 years in prison.

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CSET: 4209/479

## MILITARY AFFAIRS AND PUBLIC SECURITY

### HO CHI MINH CITY TAKES STEPS AGAINST MARKET DISRUPTIONS

Hanoi QUAN DOI NHAN DAN in Vietnamese 6 Jul 83 p 3

[VNA News Release: "Harsh Measures Taken Against Private Merchants Disrupting the Market"]

[Text] During the past few weeks, there has emerged on the market within Ho Chi Minh City merchants who specialize in extorting and extracting from others essential goods, especially rice and pork. A rather large number of these persons are private merchants who abandoned their stands and counters in order to evade taxes and are taking advantage of the difference between directed prices and prices on the free market and conspiring with commerce personnel and agents to take goods from state commerce. The majority of private merchants sell their products at prices 30 to 50 percent higher than posted prices. The prices of many goods, such as pork, sugar, laundry soap, MSG and so forth have suddenly increased.

The municipal people's committee has adopted the policy of boldly assigning management responsibilities in order to develop sources of goods and strengthen the three commodity funds while guiding the concerned levels and sectors in intensifying the management of the market. The inner city precincts have established coordination among the various market management sectors, such as the tax sector, the commodity price sector, the public security sector and the outdoor market management committees, to inspect the posting of prices and the sale of products at posted prices. At the four outdoor markets of Ben Thanh, An Dong, Binh Tay and An Lac, work units warned 79 persons concerning the sale of products at incorrect prices and levied more than 8,000 dong in fines in just 1 day. In two inspections it conducted, the 3rd Precinct dealt with 250 cases involving violation of price discipline. Today, 70 to 80 percent of the small merchants at the various outdoor markets have registered their businesses and posted prices and are selling their goods at posted prices. The various precincts have also met with rice agents to remind them about selling rice retail directly to consumers and have conducted inspections and levied fines in many cases involving the flow of rice to private merchants. In the 10th Precinct, the grain sector has rescinded the licenses of four agents and warned 15 others.

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ECONOMIC PLANNING, TRADE AND FINANCE

TRADE, INCLUDING AIRFREIGHT STRICTLY INSPECTED AT AIRPORT

Source: THIS PAPER in Vietnamese 28 Jun-4 Jul 83 p 3

[Article by Huu Mau: "The Quiet Front"]

[Text:] Tran Van Bon, the comrade holding the function of head of the customs branch office at Tan Son Nhut Airport (HO Chi Minh City), led us to visit the area where goods sent into the country from abroad were handed over to the addressees. In front of us were hundreds of people writing hurriedly and systematically. [Tran Van Bon said:]

...All our jobs are done here and begin from here. Customers receive their goods and register their declarations. Then the goods are inspected, their unit prices assessed, the tax computed, the receipts written out and a final inspection carried out. Each job is done by one or several specialized groups of employees. You see, Youth Union members represent 80 to 100 percent of the personnel working in all these stages.

What is Inside Legal Goods?

We stopped at "goods control" desk No 2, one of four which bore the young "employees" names. A merchandise owner opened a package and placed it on the table. [Mes:] Nguyen Thi My Le and Truong Thi Chu Hai in turn examined various types of goods one by one. Each package contained more than 20 different goods. The mere task of categorizing goods and writing down the quantity of each type of goods on a statement for tax compilation was a difficult job, but that was not yet the whole affair, for illegal merchandise was often hid among the legal goods. On the average, 600 to 700 packages were handed out each day to customers at these desks and this number rose up to 1,000 on some particular day. The tricks played by sellers to hide illegal goods had become more and more subtle. For example, dollar bills were hidden in all types of goods such as hair combs, toilet soap bars, toothpaste tubes, western medicine bottles, balm boxes, color film rolls, thread spools, tea box bottoms, souvenir photographs, etc. A slight negligence or a lack of professional experience would prevent the controllers from noticing the bills. Looking at dozens of (unexposed) film rolls, toothpaste tubes and soap bars, it was indeed hard to tell which of them hid the illegal merchandise. Nevertheless, Hong Phuc and Linh Phuc pulled out \$1,000 hidden among 10 toilet soap bars contained in

one package. My Le right) spotted a cardboard packing box and pulled out \$2,000 from between several paper layers of the packing. (Huu) Nguyen Huu Ut and Tran Thanh Van also extricated two bars of gold from two "Tangier" soap bars. In only 26 days of April 1953, these employees had detected 242 illegal cases and confiscated \$11,000, 4 bars of gold and 3 packages containing reactionary newspapers sent from the United States.

#### The Case of a Passenger Who Was about to Board the Plane

We saw a similar sight when we dropped in at the international flight lounge where outgoing goods were checked in. The labels on the packages being subjected to shipping formalities showed that they were bound for the United States, Canada, Italy, etc. Their owners were mostly people authorized to emigrate. Everyone of them brought along five to seven baggages. In addition to the authorized goods, many baggages concealed illegal and prohibited items.

Tran Van Nhung, secretary of the Youth Union Chapter and head of the air freight control team, told us:

—The owners of these illegal goods are much more clever and crafty than the senders of goods from abroad.

But "diamond cuts diamond." Nhung and his friends had been sent extract diamond, gold and dollars from ordinary articles such as toes of shoes, metal heels, suitcase handles, electric irons, underpants, preserved apricots, tamarind jam and even shrimp sauce bottles. Perhaps no outsider would expect Tran Thanh Xuan extract 60 diamonds from an electric iron. It can be said that the case of Dang D., a passenger who was about to board a plane, was a typical one. Dang D. was a seller of incense in Cholon whose capital and income apparently were small and negligible. In fact, though the baggage of this Vietnamese citizen of Chinese descent was composed of over items—fifteen, all of them contained nothing valuable. Therefore, his baggage was inspected quickly and neatly. He exited inwardly but when he was about to step in the aircraft, the loudspeaker blared out: "Passenger Dang D., please come here!" Meanwhile, his baggage was reexamined. He began to curse when a male customs officer nimbly tossed up—turned the lid of a white thermos on his hand, took out a small knife and, with its sharp point, vigorously scroted the lid, revealing a completely different color—that of a yellow metal. Afterward, everything was taken out for scrutiny: spoons, jadles, bottles, trumpet lids, aluminum trumpet nozzles and tops at the ends of incense and handbag handles, followed by suitcase bottoms, shoe and clog soles and packing box bottoms. Taping and twisting, the following took of the exposed evidence of his wealth: 145 bars of gold plus \$8,000. He had resorted to the most subtle tricks to prevent detection from "soundng" the alarm in contact with the metal items he had concealed. However, he did not expect a girl named Mai Thi Dong, a member of the Communist Youth Union, to be the first person to suspect his and detect his trick. So it was all over for him and he had to cancel his trip and stay behind in order to find ways to answer the authorities' interrogations.

Before the Gate

As we came to the last control station, as owner of [imported] goods placed a radio cassette-recorder and two C.90 cassettes in front of Truong Thanh Nga, head of the control team.

--Are these blank or voice-recorded cassettes, dear uncle?

--They are recorded cassettes.

Thanh Nga asked the owner to insert the cassettes and to switch on the radio set the speaker of which began to emit a light music and a [Vietnamese] modern theater song. He switched out the radio set and told the owner:

--Please allow us to detain these two cassettes. Tomorrow morning...

--Dear brother! I came here from as far as Phu Khanh. It will be quite onerous for me to stay here even one more day. You might as well erase the tapes.

--That is impossible, dear uncle!

After the owner had left, Nga turned to me and said:

--These cassettes are very troublesome. The music and songs may implicitly contain distorted allegations or commercial communication signals so we have to submit these cassettes to the responsible organs to listen to them and analyze their contents.

Nguyen Van Thanh showed us a tax receipt. We really did not expect that without spending much time, he could detect a miscalculation from 20 lines packed with lengthy numerals.

--Practice makes perfect, that is all, Thanh Nga explained, adding: Do you know that our volume of work has doubled ever since the implementation of the new tax policy? It is difficult to avoid mistakes and omissions in calculations. Even the task of listing goods, detecting illegal ones and assessing the values of goods for taxation purposes is not yet perfect, not to speak of negative practices. For this reason, we have the duty to detect mistakes. If we omit them, they will ultimately be found out by the higher branch office...

We have understood. These control teams can be compared to the teams in charge of making the final inspection of the finished product of a factory. In the first months of this year, these control teams discovered hundreds of errors and omissions. Their "feats of arms" enabled the Branch Office quickly to retrieve 95,000 dong of tax for the state and simultaneously to refund 18,000 dong of surcharge to the recipients of goods. Though having had to spend more time than necessary, both the additional-tax payers and the people coming to receive the refunds were glad and understanding and showed more trust in and love for the teams.

The More You Refine Gold, the Purer It Will Be.

We were able to jot down on our notebooks statistics and figures on the labor productivity of the personnel in each stage (which showed an average increase of 10 to 20 percent over the set norms), on the monthly rewards and those offered following discoveries of dollars or precious metals (which should be encouraged) and on the number of distinguished Youth Union members recommended for party membership and that of youths admitted to union membership over the past year. But it was truly difficult to use figures to describe the multiform and multifaceted struggle waged by the youths in this area. Tran Thanh Xuan told us that there was a time when, in the space of less than 3 months, two persons paid him a "visit" at his private house, told him that they sympathized with him in his difficult livelihood and expressed the wish to "help" him have a comfortable, if not plentiful, life. He would merely have to pass up without inspecting one or two categories of goods contained in five or seven packages bound for foreign countries and would immediately receive enough money to buy a Honda and a bicycle. He would have to do so only once or twice per month... He racked his brain weighing the pros and cons. On the one side was his life and that of his wife and their small children and on the other were the interests of the people and country and his responsibilities as a communist party member. Finally, he refused the help of such "wonderful" friends. Once he even notified his leaders and helped them neatly arrest the wrongdoers.

Following in Nguyen Thi Nga's story. She once uncovered 2 diamonds and \$200 when inspecting the baggage of a passenger who was about to board the plane. The owner of these items whispered to her: "Well! I have done a foolish thing! Please excuse me! I will offer you half of it." This happened in a room where only the two of them were present so that everything would go well had Nga accepted the offer but this Communist Youth Union member squarely warned the passenger against trying to bribe a cadre.

A comrade name Tran Van Bon confided to us: The whole of our task is comparable to a front where no gunshot is heard but where the struggle is fierce. To come out victorious, each combatant must, first of all, vanquish the enemy within himself or herself. This is a very hard struggle, my dear comrades. In whatever working stage, you may be offered the kind of "help" they proposed to brother Xuan and sister Nga. Everyone has to struggle against himself or herself and, at the same time, to rely on the assistance and control of the collective. Since last year, we have arranged specialized personnel to work in each stage. The next stage controls the work of the preceding one. Tight regulations govern the work of each person in each stage. The Youth Union has also set up an inspection team which has carried out activities very satisfactorily and which has been empowered to inspect all stages of work and even to carry out a sudden inspection at any time at any or all stages. Meritorious persons will be duly praised and rewarded and those who commit mistakes and shortcomings will be dealt with severely.

He added: We may take pride in the fact that almost all our combatants have been holding on firmly. Yes, as the saying goes, the more you polish a gem, the more brilliant it will be and the more you refine gold, the purer it will become. Realities in the struggle in the past years have trained for us many virtuous, professionally qualified and trustworthy cadres. Representative of these brothers and sisters are Tran Thanh Xuan, Tran Van Nhun, Nguyen Thi Nga, Thruong Thanh Nga, Tran Hong Thanh, Bui Thanh Que, Mai Thi Dung, Huynh Kim Le, Nguyen Thi Thanh Ha, Tran Thi Nam, Nguyen Thi The, Nguyen Thi My Le and so on. Of course, in the process of refining in our "blazing furnace," there have been occasional mixtures of "copper fragments" with gold. In each of the previous years, some tens of brothers and sisters were felled by sugar-coated bullets.

Upon their graduation, some students were assigned to this place but had to be dismissed from our ranks after less than a year of service. At the beginning of this year, we gave a warning to a union member and had to fire an employee in charge of goods control. This was really regrettable but we could not do otherwise. Only by enforcing such strictness could we distinguish gold from brass and genuine diamonds from false ones.

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ECONOMIC PLANNING, TRADE AND FINANCE

MEASURES TAKEN TO BETTER MANAGE HANOI MARKET, STABILIZE PRICES

Hanoi DOC LAP in Vietnamese 29 Jun 83 p 4

[Article by Hoang Thanh: "Hanoi Market Gradually Moves Toward Stabilization"]

[Text] Compared with the period preceding the implementation of the industrial and trade tax, the Hanoi market has undergone clear-cut changes such as a reduction in the number of illegal traders, neater arrangements in various markets and so forth. But a more fundamental change consists in the fact that the massive tendency to rush into the market to increase [personal] income by commercial means has been checked and driven back.

According to data by the Municipal Statistical Branch, as of 1 July 1982, the number of people engaged in commercial, restaurant, beverage catering and service activities throughout the city rose to 37,406 of whom 36,268 acted in their capacity as individuals--not to speak of 900 private traders who discontinued their business temporarily because they had to move their shops from the main road axis in Dong Da Precinct, 4,877 non-professional traders, 746 ration stamp and coupon dealers and about 10,000 itinerant and unregistered private traders. To make the total figure more complete, it would be necessary to mention also a fairly large number of persons who worked as middlemen for a commission, who established connections with buyers and transported goods and who acted as hog dealers and slaughterers....

More than a month ago, traders in both the urban wards and rural districts were still seen vying with each other in setting up shacks and tents and hollowing out wall to make doorways to turn their residences into commercial places. Thousands of people who did not own houses, shacks and tents along roads installed tables and scattered flat baskets on sidewalks and in the middle of passageways, thus disrupting public order and hampering communications. At present, these sights have changed completely: Many illegally erected shacks and tents have been dismantled, hollowed walls and newly opened doorways have been closed up in many areas, streets have been cleared of obstacles and now look more beautiful and the number of underhand dealers who formerly blocked state shop doors and stood at street corners in a brazen and disgraceful manner has been greatly reduced.

It has been possible to make these changes quickly because in implementing the regulation on the industrial and trade tax, Hanoi has closely coordinated this task with market management and price stabilization. Tax collection has been coupled with the control and examination of business registrations and the issuance of business permits, with the rearrangements of commercial places, with the submission, ratification and publication of prices and with the sale of goods at the posted prices. In these tasks, official working teams and the workers' and women's control units have played an active role. Thousands of cases of violation of business registration regulations, price hike and sale of goods contrary to the posted prices have been disclosed and fined. These infringements include also the case of a state store in Dong Da Precinct which has been fined for raising the price of roasted pork. It is precisely these economic measures which, along with the people's participation in this struggle, have positively contributed to maintaining market prices at a time when the sources of goods are not yet abundant. Moreover, the forces composed by state stores and marketing cooperatives have taken advantage of these favorable conditions to develop their commercial and service activities. The turnover of the [state-operated] restaurant and beverage sector in May showed an increase of 40 percent over April. More than 50 marketing cooperatives at the ward level have organized hog slaughter to sell pork to the people at a lower price than in the free market. Consequently and generally speaking, the prices of staple commodities such as rice, meat, vegetables and soft noodles have been kept within the envisaged range instead of being subjected to sudden fluctuations as feared by many people.

Nevertheless, the market and price management problem cannot be solved once for all. This is a complex task which has many aspects and is related to many sectors, thus requiring a close coordination and involving many uniform and timely measures.

To date, tax collection has been gradually put into the right track while business registrations are being carried out but there still are cases of tax evasion and of feigned discontinuation of business activities for the purposes of shifting to dealings by batches or trips and to brokerage and clandestine transactions. In the Mo market, there is a soft noodle selling household which holds only one business registration [and permit] but has allowed five or six persons to sell goods at the same time. Conversely, several pork dealing households have merged into a single shop in order to pay less tax while continuing to make and share a great profit. The price raising trick is still a spontaneous trend among greedy private traders including small trading households. These people have deliberately given the tax increase as a pretext to force consumers to pay high prices, especially for those goods which state stores do not have enough for sale. In this manner, far from having their income reduced by the tax increase, they have been able to make a greater profit than before just by raising the unit prices of goods. Some households have refrained from directly raising prices and have continued to sell goods at the posted prices but have offered goods of lower quality or reduced their quantities. The forces constituted by

urban marketing cooperatives have started dealing in food products of various kinds and processing them to improve the people's daily meals but their activities have not yet been conducted vigorously and have not exerted a great effect on the market prices.

To solve the above-mentioned problems, Hanoi is continuing to implement the regulation on industrial and trade tax while properly carrying out other tasks including market management and price stabilization. It is very important for the socialist commercial forces to expand their commercial and service activities quickly and to occupy the market gradually with the primary objective of serving the principal targets-- that is, cadres, manual and office workers, armymen and the people. Since goods are not yet abundant, it is all the more necessary to manage the distribution task well and to implement administrative and economic measures firmly in order to keep prices--primarily those of staple commodities-- within the envisaged range and without sudden fluctuations. People in the capital city have understood that managing the market and stabilizing prices is the duty not only of financial and commercial cadres and public security agents but also of everyone. The participation of a great number of consumers in supervisory activities and in this struggle will have an obvious effect on price stabilization and will contribute to reestablishing the socialist order in the distribution and circulation domain.

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## ECONOMIC PLANNING, TRADE AND FINANCE

### STAPLE COMMODITY PRICES STABILIZED BY STATE TRADE SECTOR

Hanoi LAO DONG in Vietnamese 30 Jun 83 p 3

[Article by Dao Viet Anh: "Stabilized Prices of Three Commodities: Meat, Fish and Vegetables"]

[Text] While changes are happening to the market in many localities, prices are relatively stable in Can Tho City (Hau Giang Province). The price of lean prok is 85 dong a kilogram and its sale is normal. The price of Category 1 fresh-water goby or snake-head fish is between 55 and 65 dong a kilogram and that of codfish is between 32 and 35 dong a kilogram, which shows no increase over the past and their sale is normal. The prices of vegetables are as follows: 13.5 dong for a kilogram of Da Lat cabbage, 5 dong for a kilogram of green pumpkin, 4.6 dong for a kilogram of red pumpkin, 12 dong a kilogram of tomato and 8 dong for a kilogram of lemon. All these commodities are sold normally and their prices are not higher than in the past. On the contrary, the prices of some seasonable items tend to go down.

In addition to meat, fish and vegetables, the markets in Can Tho regularly sell the following commodities to meet the consumers' needs: Hens at 70 dong a kilogram, pullets at 65 dong a kilogram, slaughter ducks at 54 dong a kilogram and duck eggs 3 to 3.4 dong apiece... We have heard that the prices of these commodities have remained almost unchanged in comparison with the past few months.

Why has Can Tho City--the "chief town" of Western Nam Bo--been able to maintain stability while the market and prices in other areas have been plunged in a common "crisis"?

A factor of prime importance which is worth mentioning is the fact that Can Tho has acted to organize the sources of goods and their retail sale. Concerning slaughter hogs, the province has set aside a fairly large amount of domestic animals' feed and used it to keep the city's hog herd. Throughout the city, there are now 5,000 hog raising households; these production installations have been buying bran from the state and have signed contracts to sell hogs to it. Since the price of bran has remained stable and the production cost of each kilogram of live weight pork has not changed, the Municipal Retail General Corporation has been

able to regularly buy a sufficient number of hogs at a stable price for slaughter and supply to cadres and manual and office workers, thereby contributing to stabilizing the market. According to Quach Hoang Duc, director of the Municipal Retail General Corporation, each day Can Tho City needs about 6 to 7 tons of dressed pork on the average. For 2 years now the Municipal Retail General Corporation has taken control of the pork market. The corporation has always managed to obtain a sufficient quantity of pork to meet requirements; the hogs bought right in the city by the corporation constitute its principal source of goods; the hogs slaughtered are immediately made up by the same number of newly purchased ones and there is always a pork reserve (of about 10 tons) sufficient for 3 days. In addition to pork, the corporation has dealt in 100 tons of buffalo and ox beef and 160 tons of chicken. Just in the first 5 months of 1983, the Municipal Retail General Corporation has thus dealt in more than 1,000 tons of pork, beef and poultry and has sold them at supply and normal prices. Wholesale prices have become stable and retail prices can neither go up nor fluctuate suddenly because they have been governed by regulations stipulating that they should be enough to make up for expenses and to include a reasonable profit for retailers. Like pork, the fish market in Can Tho has been controlled by the state commercial sector over the past few years and this commodity has also been traded by the Municipal Retail General Corporation. Each day the city needs about 9 or 10 tons of fish. In the first 5 months of this year, the corporation has handled 1,000-odd tons of fish which were enough to meet this need. Why have the prices of meat and fish become stable in Can Tho City? The answer is still based on the ability to grasp a sufficient amount of goods to meet requirements, to purchase them at stable prices and to properly manage the retail network according to the formula that the retail price (of any goods put in the consumers' hands) equals its wholesale price plus the expenditures and a reasonable profit. Thus, once the wholesale prices have been stabilized, it will be possible to stabilize the retail prices in the market.

Over the past 2 years, the state commercial sector in Can Tho has also mastered the vegetable and fruit market. The state commercial sector and marketing cooperatives have really taken hold of the wholesale and controlled the retail of almost all types of vegetable and fruit. The fact that the dealings in vegetables and fruit in Can Tho have recently become ever more methodical is worth mentioning. First of all, the material facilities have been strengthened. In the past, in the area of the Hau River pier, there were several rows of vegetable wholesale shops whose roofs were shoddily made of tree leaves; at present, these shops have been replaced by wooden houses with sheet-iron roofs and each row has an area of between 50 and 60 square meters, which is more spacious, orderly and neat. The vegetable retail network comprises 138 counters and agencies to ensure that this commodity directly reaches the consumers and is paid for at the fixed and officially published prices. On our visit to the rows of vegetable and fruit shops in Can Tho, we found that purchase and sale were really orderly and convenient. Vegetables and fruit were abundant and their prices were 25 to 30 percent lower than in many other areas and, for some kinds of vegetables and fruit, the

prices were only half as much. From Bay Khanh, vice chairman of the Can Tho Municipal People's Committee, and from some cadres working at the vegetable and fruit shops, we learned that such a stability of prices was the result of many people's efforts. First and foremost, it was necessary to estimate the needs and to organize a network to purchase vegetables, tubers and fruit from Minh Hai and Soc Trang and deliver them to the city day and night. Special products such as mustard greens destined for pickling and red onions had to be brought in from Vinh Chau and some others purchased from Da Lat (Lam Dong) and Cau Ngang (Cuu Long). The Municipal Vegetables and Fruit Corporation has set up a sale network broadly covering many eastern and western provinces and has thus been able to purchase large amounts of vegetables and fruit at stable prices or at prices with slight seasonal fluctuations.

Speaking of the stabilization of the prices of three commodities--meat, fish and vegetables--in Can Tho, we must also mention another factor constituted by the notable progress made in the activities aimed at managing the Hau Giang provincial market. The Provincial People's Committee has empowered the Commercial Service to manage the local market from the administrative and commercial points of view in accordance with the regulations set forth by the Council of Ministers. With this function, this service has endeavored to further stabilize the organized market. With regard to the free market--, reform, struggle, management and reorganization of the private traders' business activities, especially at the various markets, have resulted in limiting and bringing down to a low level their act of speculating and raising prices to disrupt the market. The city's effort to stabilize market prices is a matter of concern to everyone. The many problems relating to the market are sensational reflections of the fierce struggle between the two paths--socialist versus capitalist--and are indeed confronting the city with many questions requiring solution in order to stabilize prices strenuously and continuously, thereby contributing to satisfactorily promoting the life of laborers, especially those on the state payroll.

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## ECONOMIC PLANNING, TRADE AND FINANCE

### INDUSTRIAL, COMMERCIAL TAX COLLECTION INTENSIFIED

Hanoi NHAN DAN in Vietnamese 30 Jun 83 p 1

[Text] VNA--By mid-June, Haiphong City had collected 70 percent of the industrial and trade tax due in May according to the new tax rate. The districts of Do Son, Thuy Nguyen, Tien Lang, Kien An and Cat Hai had completed the collection of the tax due in May. Hundreds of individual commercial households who asked permission to wind up their business the previous months have now paid all the tax arrears and reopened their shops.

While collecting taxes, the municipal tax sector coordinated with the market management forces to exercise continuous control and to deal with cases of tax evasion, illegal trade and refusal to post price lists and sell goods at the published prices. Do Son District uncovered and dealt with 120 households who carried out commercial activities without paying tax.

The municipal market management board assigned 1,200 market reform and management cadres to reinforce grassroots installations. Together with the tax sector, Le Chan Precinct market management teams uncovered and dealt with 492 cases of infringement of market management regulations and collected nearly 260,000 dong [of tax] for the state.

Haiphong City has directed individual business households whose trade license tax ranges between 3,000 and 5,000 dong to open an account with the bank and to keep individual accounting books according to the system promulgated by the State Bank and the Ministry of Finance.

The pricing sector in Thanh Hoa Province has met with more than 4,000 industrial and commercial households from 14 districts and cities to publish the prices of 450 categories of goods and service activities and to guide and control the publication of prices and the sale of goods at the published prices. In conjunction with the tax service and the public security and market management organs, the [pricing] sector has also inspected 1,100 households, detected and dealt with 350 cases of infraction of regulations, imposed fines totaling 18,200 dong, revoked business registrations [and permits] in 10 cases and compelled 16 other households to refund their surcharges to buyers.

By the end of May, Ha Bac Province has basically completed collecting the May tax and trade license tax. Throughout the province, 82 percent of the total

number of business households had fully paid the May income tax totaling over 5 million dong. In Bac Giang City and Gia Luong and Luc Ngan Districts, 98 to 100 percent of the total number of household had fully paid the May tax. Throughout the province, 9,300 business households representing 90 percent of their total number had paid their trade license tax amounting to more than 4 million dong.

By organizing a tax collection festival, Bac Giang City induced 100 percent of the total number of commercial households to pay in only one day the trade tax for May and the trade license tax and was, therefore, able to collect more than 2 million dong, thus taking the lead among all localities in the province.

In the last 10 days of May and in early June, the tax sector in Song Be Province compiled a trade license tax record concerning more than 6,000 households and collected more than 9.5 million dong fulfilling over 80 percent of the yearly collection plan norm. While collecting the trade license tax, the sector discovered that many households had evaded tax. Thuan An and Loc Ninh Districts and Thu Dau Mot City finished the compilation of a trade license record and collected 85 to 90 percent of the yearly trade license tax.

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## ECONOMIC PLANNING, TRADE AND FINANCE

### MEASURES TAKEN TO COLLECT INDUSTRIAL, TRADE TAX IN HO CHI MINH CITY

Hanoi NHAN DAN in Vietnamese 2 Jul 83 pp 1, 4

[Text] Over the past 2 months, Ho Chi Minh City has obtained an initial result from the collection of industrial and trade tax. Immediately after the promulgation of the new regulation, the city organized the dissemination of the significance, objective and substance of the new tax among cadres in various sectors, precincts and districts and opened practical training courses for thousands of tax cadres. Compared with April, the amount of tax collected in May showed an increase of 61.69 percent and was compared mostly of trade and income taxes collected from the private business sector. Some precincts and districts have begun to coordinate the industrial and trade tax collection with the market management. A number of localities such as the 1st and 10th Precincts and Tan Binh, Binh Thanh and Go Vap Districts have surveyed the situation and quickly drawn preliminary experiences in order to correctly categorize taxpayers and to ensure that tax is collected in conformity with realities.

However, the propaganda conducted and explanations given about the new tax tariff have lacked an in-depth dimension and a specific theme. Because adequate preparations have not yet been made for the implementation [of the new tax regulation], because of the failure to rely on survey data on the actual situation and because of a tendency to depend mostly on the subjective judgment and estimate of the tax sector, the increase in the amount of collected tax has been widespread evenly among all categories of private industrial and commercial households. In many places, great collection deficits have been incurred because not enough tax has been collected from large commercial households (of Category A+B) while a tax higher than that warranted by the real status of small commercial households (of Category C) has been levied from them. This has given rise to perplexities and unfavorable reactions, caused great collection deficits to the state and simultaneously made it impossible to win the sympathy of the majority of small traders while creating loopholes for dishonest traders to use the "tax increase" as an excuse to raise the prices of goods, thereby disrupting the market and exerting a bad effect on the sociopolitical aspect of the city.

The Municipal Party Committee Standing Committee and the Municipal People's Committee have sent many task force teams together with a number of leading cadres from various sectors to visit many markets and production and commercial

installations to study the actual situation, to draw experiences and to analyze the result obtained from certain typical households belonging to different categories of taxpayers.

After this survey of the actual situation, the Municipal Party Committee Standing Committee recently held an enlarged conference with party committee secretaries at various levels, precinct and district people's committee chairmen, directors and heads of all sectors and representatives of a number of centrally run organs stationed in the city. The conference discussed the need to strengthen party committees at various levels and formulated measures to conduct an intensive and extensive explanatory campaign among all strata to make them understand the new regulation, to urge everyone to implement the policy correctly and to ensure accuracy, justice and rationality by exerting the greatest efforts in collecting the industrial and trade tax. The conference unanimously decided that while adjusting the tax according to the new tariff and collecting the exact amounts in full, it is also necessary to conform the adjustments to the level of income of large commercial households and, at the same time, to immediately correct mistakes committed against small households (of Category C) and to consider it especially important to stabilize and motivate small commercial households composed of laborers (which represent a fairly high ratio among the private commercial circles) to fully agree with the new tax regulation and to positively participate in market management. The current phase of industrial and trade taxation must ensure the collection of the full amount of tax owed by high-income commercial households (of Category A+B) and must be aimed at collecting a rational tax, setting the psychological state of mind of small traders at ease and consequently helping promote the socialist transformation of private industry and trade and coordinating with the market management sector to track down speculators, smugglers and illegal businessmen. Through this struggle stage, it is necessary to expand the revolutionary action movement of the masses in their capacity as owners in the domains of distribution, circulation and socio-economic management with the objective of maintaining and promoting production development, building up the revolutionary forces, detecting and eliminating deviant elements, stepping up the struggle against internal negative manifestations and especially dealing firmly and appropriately with cadres who take bribes and connive with private traders in creating conditions for the latter to evade tax.

The task of strengthening control and inspection over the implementation of the industrial and trade tax policy is a process during which the following managerial measures must be carried out: managing business registrations to ensure that they conform to regulations, managing cash by opening bank accounts, enforcing the policy of publishing price lists and selling goods at the published prices and managing goods and commercial activities by means of accounting books and invoices conformable to regulations (managing products in the case of production households).

Simultaneously with continuously increasing the amount of goods and seeing that it suffices to meet the essential needs of cadres, workers and the laboring people, the city will launch a political movement among all strata to

strictly implement the law on industrial and trade tax. First and foremost, it is necessary to make cadres and party members in various organs and enterprises as well as the armed forces and public security agents in precincts, districts, wards and villages throughout the city understand fully the party policy and realize clearly their duty to execute this policy and to work as activists in the process of collecting the industrial and trade tax.

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## ECONOMIC PLANNING, TRADE AND FINANCE

### EDITORIAL STRESSES STRICT MANAGEMENT, USE OF MATERIALS

Hanoi NHAN DAN in Vietnamese 30 Jun 83 pp 1, 4

[Editorial: "Discipline in the Management and Use of Materials"]

[Text] The more developed the economy, the greater the need to use materials rationally according to the set goals and targets and with effective results. Some progress has been made recently in the management and use of materials. The materials sector has promptly helped many production installations overcome difficulties and has moved materials from areas having a surplus to those suffering a shortage and applied advanced techniques to use domestically available materials instead of imported ones. By replacing yellow lead oxide which is in short supply with red lead oxide which has been stagnating at some other installations, the Haiphong Battery Factory has been able to meet production requirements. By using gasoline and oil according to the set norms, 11 tractor units in various districts and cities in Minh Hai [Province] have been able to save more than 40 tons of gasoline and 500 tons of oil. Dac Lac Province has retrieved 756 tons of oil from units which have squandered it without serving the right purposes and has brought this amount of oil to important areas in the province to develop the economy, etc.

However, materials have been managed loosely and negligently and used very lavishly and disorderly according to one's own convenience. Losses of materials have been fairly prevalent and have caused great damage to the state. Many sectors, localities and basic units have incorrectly applied the system, regulation and discipline concerning the use of materials. The coal delivered to enterprises for use in producing farm implements has been funneled to brick kilns pertaining to cooperatives or private citizens. Part of the iron, steel, cement and good-quality bricks and tiles belonging to key construction projects has been kept back to build meeting halls, triumphal arches and working offices and also private houses and villas of certain deviant cadres and employees. A portion of the gasoline and oil destined for field tractor units has been retained by each province, district and village. Many types of materials reserved for the implementation of major production plans of certain factories have been partly sold at differential prices to make a profit or been exchanged with other units for food products and consumer goods for internal use in these factories. Though many installations have received enough materials according to plan and have enjoyed adequate production conditions, the products made of these materials have not met the quantitative and qualitative norms, which has

reflected badly on the product delivery plan and on the management of money and merchandise.

Though technical materials such as gasoline, oil, fertilizer, cement, iron and steel have been placed under a uniform system of management and business dealings by the state, they have been stolen or siphoned off in fairly large quantities and can be seen resold and repurchased at steep prices everywhere in the free market. Many units have kept more materials than necessary and have let them stagnate a long time in warehouses, thus creating an artificial tension about the availability of certain material supplies. Many persons in charge of factories and worksites have neglected the management and control of materials warehouses in these installations.

To be able to fully use their production capacities or to perfect their products, it is necessary for enterprises to take the initiative to acquire materials from different sources in a legitimate manner according to the state system, law and regulations. But one must not, under the label of "initiative, dynamism and creativeness," manage to obtain materials by crooked, unprincipled and undisciplined means because doing so is actually tantamount to pilfering or stealing the state's materials and taking them from one place to another.

If the management and use of materials is not tight and strict in accordance with the system and policy in force, it may bring about some profit for certain people at the grassroots installations but will create loopholes enabling negative practices to develop to the detriment of the interests of the state and entire society and to contribute to disrupting both the market and the distribution and circulation front.

The resolution of the Fourth Party Central Committee Plenum has pointed out the need "to strengthen and tighten the management of state materials and goods, to resolutely end the practice of funneling state goods and materials to the outside market and to prohibit commercial dealings in technical materials and production equipment in the free market."

Thoroughly understanding the Party Central Committee resolution, upholding proletarian dictatorship and bringing the laboring people's right to collective ownership into play, we are determined to reestablish order and discipline in the management and use of materials. From the task of transporting materials and conserving them in warehouses to the process of distributing and using them, specific measures and regulations must be devised to make sure that they are used most economically and effectively. The system of controlling the use of materials must be implemented constantly and this must be considered to be the duty of various sectors at all levels, of every grassroots unit and of all producers and businessmen. Control must be based on production plans, standards, systems and norms of use. The supply and use of materials must not be carried out according to excessive bureaucratic formalities but must be drawn into the orbit of business management with economic accountability, control and inspection in order to have the effect of inducing all sectors, enterprises and laborers to use materials sparingly and effectively.

## AGRICULTURE

### HIGHEST EVER NATIONWIDE RICE OUTPUT REPORTED

Hanoi NHAN DAN in Vietnamese 3 Jul 83 p 1

[Text] According to initial data compiled by the Statistics General Department, the entire country carried out sowing and planting on 2,826,000 hectares including 2,368,000 hectares of grain crops equivalent to 97.3 percent of the area cultivated in the winter-spring season last year [1981-82]. For rice alone, all localities performed sowing and transplanting on 1,644,000 hectares representing 101.2 percent of the winter-spring cultivation area last year but fulfilling only 96.5 percent of the plan norm [for 1982-83] because 60,000 hectares could not be cultivated in the southern provinces.

The southern provinces strenuously performed sowing and transplanting on 20,000 more hectares than last year but achieved only 91.2 percent of the plan norm. Of these provinces, those which were far behind the area norm were Cuu Long, Ben Tre and Dong Thap. Due to a protracted and serious drought, the central Vietnam provinces experienced many difficulties in fulfilling the area norm.

According to initial statistics, the riceplants grown during this [1982-83] winter-spring season were a crop which yielded more than in the previous [1981-82 winter-spring] season while all other crops yielded less than in the winter-spring season last year and did not even achieve the planned output.

Generally speaking, the nationwide output of the winter-spring rice was the highest ever. The rice intensive cultivation movement developed fairly equally in all localities. The average nationwide output came to about 29.1 quintals per hectare--falling short of the plan norm by 0.4 quintal per hectare but surpassing the previous winter-spring crop by 1.2 quintals per hectare.

Almost all provinces in North Vietnam achieved an average output of about 26.7 quintals per hectare which is higher than that of the winter-spring crop last year. The provinces of Ha Bac, Vinh Phu and Thanh Hoa and the two cities of Hanoi and Haiphong achieved an increase of 1.5 quintals and more per hectare. It is estimated that Thanh Hoa Province would have achieved between 25 and 26 quintals per hectare and that Hai Hung Province--which has obtained the highest productivity and volume of production ever from the 5th month and spring rice crop--would have obtained about 35 to 36 quintals per hectare representing an increase of 1 to 2 quintals over the winter-spring

crop last year. The output of Vinh Phu Province showed an increase of about 3 quintals and more per hectare.

The provinces in South Vietnam achieved an output of about 33.91 quintals per hectare, surpassing the plan norm by 0.4 quintal per hectare and exceeding last year's winter-spring crop by 1.6 quintals per hectare.

Across the country, 26 provinces and cities fulfilled or overfulfilled the plan norm for output; they are Thai Binh, Hai Hung, Ha Son Binh, Ha Nam Ninh, Hanoi, Haiphong, Vinh Phu, Ha Bac, Thanh Hoa, Quang Ninh, Bac Thai, Ha Tuyen, Lang Son, Lai Chau, Phu Khanh, Gia Lai-Kon Tum, Dac Lac, Dong Nai, Song Be, Tay Ninh, Ho Chi Minh City, Long An, Tien Giang, Cuu Long, Hau Giang and Kien Giang.

During this [1982-83 winter-spring] season, many units achieved a fairly high output. The Mekong Delta provinces achieved an average output of 40.25 quintals per hectare, surpassing the plan norm by 5.9 percent. The Red River Delta provinces yielded 31.7 quintals [per hectare]--an increase of 1.6 percent over the previous season. Though Quang Nam-Da Nang Province failed to fulfill the plan norm, it had 56 cooperatives which achieved from 40 to 71 quintals per hectare; in particular, Dai Phuoc cooperative took the lead in intensive cultivation with an output of 71 quintals per hectare. In North Vietnam, 7 districts and cities yielded more than 40 quintals per hectare while the cooperatives of Vu Thang, Nguyen Xa and Minh Chau (Thai Binh Province), Chau Giang (Ha Nam Ninh Province), Phuong Hung and Duc Hop (Hai Hung Province) and so forth achieved an output of between 50 and 60 quintals per hectare.

However, the subsidiary food crop output did not fulfill the plan norm and was less than last year. Consequently, despite a production season with the highest ever grain output, the entire country fulfilled only about 90 percent of the plan norm and obtained only a slight increase (under 1 percent) over the winter-spring season last year.

9332

CSO: 4209/467

AGRICULTURE

**GRAIN PROCUREMENT PLAN FULFILLED IN MANY NORTHERN LOCALITIES**

Hanoi NHAN DAN in Vietnamese 2 Jul 83 p 1

[Text] As of 30 June 1983, the provinces and cities in North Vietnam had put into stores an amount of grain representing 49 percent of the plan norm for grain collection from the 1983 5th-month and spring crop and including 57.56 percent of the fixed grain obligation norm. Nghe Tinh Province had stored 85,000 tons representing 106.2 percent of the plan norm and is now trying to fulfill an additional plan assigned by the central level. Binh Tri Thien Province had stored 51,800 tons of grain which represented 100.5 percent of the plan norm and which included 21,221 tons collected as agricultural tax and 10,198 tons purchased above and beyond the obligation norm. To date, 22 districts and cities and over 250 agricultural cooperatives across North Vietnam have fulfilled the 5th-month and spring grain procurement plan.

Generally speaking, grain procurement has been proceeding vigorously in all localities though the harvest has been carried out more slowly than in the previous years. Right at the beginning of the harvest time, all provinces had performed the storing task satisfactorily and, up to now, have stored an amount equivalent to 49 percent of the plan norm despite the fact that harvesting has been carried out only on more than 50 percent of the [cultivated] area. On the average, the amount of grain stored each day surpasses that in the same period last year by more than 3,000 tons. The provinces in the delta and the midlands have stored large quantities such as 75,700 tons in Hai Hung, 25,700 tons in Vinh Phu, 32,000 tons in Ha Nam Ninh and 26,800 tons in Ha Son Binh.

In order to fulfill the 5th-month and spring grain procurement plan by 30 July 1983, all localities are accelerating the harvest, organizing a quick and neat storage and taking precautions against the August rains and storms.

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## HEAVY INDUSTRY AND CONSTRUCTION

### LAO CAI APATITE MINE SETS HIGHER PRODUCTION TARGETS

Hanoi QUAN DOI NHAN DAN in Vietnamese 23 Jun 83 p 3

[Article by Ngoc Mai: "The Lao Cai Apatite Mine Attempts To Mine More than 11,000 Tons of Ore in the 2nd Quarter"]

[Text] The Lao Cai Apatite Mine has conducted a technical drill in contract production at its various mechanized mining sites, opened five manual labor mining sites and launched a movement to have each cadre and worker produce 2 tons of ore, in an effort to mine more than 11,000 tons of ore of various types, market 60,000 tons of product and strip 30,000 cubic meters of overburden during the 2nd quarter of 1983. The cadres and workers of the truck and rail transport units have agreed to work overtime to repair three locomotives and the electrical and mechanical repair sector has begun the mass manufacture of BMK-04 revolving percussion drill bits to support the main production line. All units registered 1 to 5 days ahead of the deadline.

The units that are participating in the construction and expansion of the mine are trying to increase the rate of construction in order to quickly consign the truck road, put 13 generator stations into operation...to insure that the mine strips 900,000 cubic meters of overburden and mines 240,000 tons of ore of various types in 1983. The construction units in the site preparation area of the ore enrichment plant have maintained the rate of construction agreed to in their contracts. They have completed the preparation of the construction site, having excavated and levelled 750,000 cubic meters of dirt and rock, so that Construction Corporation Number 22 can carry out the construction of the various project items.

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HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

SUPERPHOSPHATE PRODUCTION--During the first 6 months of this year, the Lam Thao Superphosphate Plant (the Chemical General Department) completed more than 56 percent of its total output value norm for the entire year. The production of primary products equalled 44 to 53 percent of plan norms, with superphosphate production exceeding 88,900 tons, more than 53 percent of the plan for the entire year. [Excerpt] [Hanoi QUAN DOI NHAN DAN in Vietnamese 2 Jul 83 p 1] 7809

CSO: 4209/480

## TRANSPORTATION AND COMMUNICATIONS

### HO CHI MINH CITY-DA NANG COMMUNICATIONS SYSTEM PUT IN OPERATION

Hanoi QUAN DOI NHAN DAN in Vietnamese 30 Jun 83 p 1

[New Products, New Projects column by Anh Chuong: "The Posts-Telegraph Sector Completes the Da Nang-Ho Chi Minh City Communications Technical System 40 Days Ahead of Schedule"]

[Text] Following more than 5 months of construction work, the posts-telegraph sector has completed the construction and erection of the 920 kilometer Da Nang-Ho Chi Minh City technical system, a system that consists of dozens of pairs of communications wire, 13 carrier and amplification engineering stations, 7 switchboard-cable junctions, generators and communications power source systems and security stations, 40 days earlier than planned. This is also a key project carried out by the posts-telegraph sector to celebrate "1983, International Information-Communications Year."

Experiencing a shortage of supplies, labor and capital and operating on difficult terrain with a limited supply of equipment, the cadres, manual workers and civil servants of Post-Telegraph Projects Corporation Number 1, Post-Telegraph Corporation Number 2, the Posts-Telegraph Supply Corporation, the Posts-Telegraph Concrete Materials Enterprise, Information Equipment Repair Enterprise Number 3, the Institute of Posts-Telegraph Design, Information Project Management Committee Number 3, the Quang Nam-Da Nang post-telegraph sector, Telecommunications Center Number 1 and Telecommunications Center Number 3 coordinated closely night and day and overcame their difficulties in order to complete their task.

With the completion of the Da Nang-Ho Chi Minh City communications technical system, which connects to the Hanoi-Da Nang communications technical system that was completed in late 1982, the post-telegraph sector has, for the first time ever, established a north-south bare-wire communications line, one that consists of equipment that is more modern and better synchronized in terms of channel modulation, terminals and amplification, all of which have been completely transistorized and miniaturized, thereby linking Hanoi to the 22 provinces and municipalities of the South and supporting the intra-provincial communications networks of the 15 provinces and municipalities through which the network passes.

With the completion of the two technical systems (Hanoi-Da Nang and Da Nang-Ho Chi Minh City) along the National Highway 1A bare-wire communications line, which extends over 1,740 kilometers of line and poles and represents another step forward in the completion of the three regional centers, the post-telegraph sector has brought about a significant change in the development of long distance telephone and telegraph communications throughout the country. All provinces and municipalities have direct, bare-wire links with the central level. Soon, the sector will build the Ho Chi Minh City-Minh Hai technical system, which will consist of more than 300 kilometers of wires and poles, and finish the construction and technical structure of the entire Hanoi-Ho Chi Minh City-Minh Hai bare-wire communications line.

To virtually complete, in the space of only 5 months, the construction of a communications technical system nearly 1,000 kilometers in length that consists of dozens of pairs of wires and a modern and rather well synchronized system of information equipment under circumstances involving numerous difficulties represents a major effort on the part of the post-telegraph sector.

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## TRANSPORTATION AND COMMUNICATIONS

### CONTRACTS EMPLOYED TO RESTORE ORDER TO RAIL TRANSPORTATION

Hanoi QUAN DOT NHAN DAN in Vietnamese 28 Jun 83 p 3

[Article by Chu Tai: "Improving the Management of Transportation and Increasing Transportation Capacity: the Good and the Bad in the Signing of Railroad Transportation Contracts"]

[Text] Our country's railroad sector transports a very large quantity of cargo and a very large number of passengers. It is the main transportation force and makes a significant contribution to the construction and defense of the fatherland.

In view of the fact that it has been encountering numerous difficulties with means of transportation, spare parts and equipment, the railroad sector, together with taking steps to strengthen its organization and improve its management, has long attached very much importance to signing and implementing transportation contracts with all agencies that manage cargo in order to make the fullest possible use of its capacity, plan its operations and endeavor to achieve increasingly high efficiency. However, the results that have been achieved have been greatly limited.

Although the railroad sector signs yearly, quarterly and monthly contracts with agencies that manage cargo, the percentage of these contracts that is settled is very low and the sector lacks the legal basis needed to pay bonuses and levy fines. The components that keep track of this work, from the general department to the various railroad stations, either have not been strengthened or are still being loosely managed. Negative phenomena in trade relations, such as the acceptance of gifts and bribes by some persons to ignore mistakes, the haphazard allocation of means of transportation and so forth, have significantly reduced the effectiveness of contract clauses.

In keeping with Party Central Committee resolution 265, the railroad sector has been and is revamping its organization, restoring order to its operations and endeavoring to combat negative phenomena, maintain discipline and, in particular, effectively restore planning within transportation operations. Since the start of 1983, the organizational system and transportation contract system of the railroad sector have been strengthened from the upper to the lower levels, the necessary mechanism has been established, a division of

authority has been established and negative phenomena have been successfully reduced.

With cooperation in the socialist spirit from the majority of the agencies that manage cargo, 34 cargo management units have signed transportation contracts for 1983 representing a total of 3.4 million tons of cargo, 83 percent of the entire sector's cargo plan for 1983. There is one fact that can be cited in order to further evaluate the results that have been achieved in 1983. By this time in 1982, although the transportation plan was similar, only 21 cargo management units had signed contracts, contracts representing 1.7 million tons, but they had reported their plans late, consequently, the majority of them only signed temporary contracts or had to subsequently adjust the contracts to which the two sides agreed. This irregular method of operating caused many problems and difficulties to both sides. This year, gaining experience from 1983, the railroad sector has improved the signing of contracts and taken clear strides forward. Plans are reported early, units managing cargo and units managing means of transportation are totally equal and there is no authoritarianism. All contract clauses are specific, all comply with plan norms and all were promptly disseminated to the lower level so that their implementation could be quickly started.

In the 5 months of implementation, the railroad sector has always given every priority to the cargo management agencies that have signed contracts. Conversely, the majority of these agencies, although they have undergone many organizational changes, still signed contracts for March, April and May and have brought about noteworthy improvements in their cooperation with the managers of the means of transportation for the purpose of working together to complete the plan. As a result of organizing its cargo handling operations well and providing stable terminals, the Quang Ninh Coal Corporation signed a contract for the entire year, one that provides for the transportation of 455,000 tons of coal, as a result of which the corporation managed to ship 272,000 tons during the first 5 months of the year.

During the past 5 months, the Haiphong Metal Materials Receiving Corporation, although it deals in very heavy products that are difficult to handle, shipped 32,500 tons of the 100,000 tons that will be shipped this year.

At a time when a number of units have been implementing their contracts well and creating favorable conditions for the transportation operations of the railroad sector, more than a few cargo management agencies have not done everything they could to implement the clauses of the contracts they have signed, consequently, the results they have achieved have been very low. Because it has encountered numerous difficulties and failed to correct implement the clauses of its contract, the Haiphong Coal Corporation has achieved only limited efficiency in rail transportation. During the past 5 months, it completed only one-third of its plan for all 1983. Of the seven agencies that manage grain, which is one of the primary products, only one of them, the Hanoi Level I Grain Corporation, has signed a contract, one that calls for the transportation of 34,000 tons. The Thang Long Bridge construction site, which also manages a rather large quantity of materials and requires the transportation of about 65,000 tons of cargo per year, has yet to

agree to sign a contract even though it has frequently been asked to do so by the sector.

In transportation, especially railroad transportation, emergency requirements are unavoidable. However, some managers of cargo, including some army units and other economic agencies, have committed abuses that have caused difficulties to the managers of the means of transportation. Some other units routinely violate principles, refuse to sign contracts and, in addition, use their authority to force transportation units to meet their emergency requirements, thereby disrupting the overall plan of the sector. When they have violated contracts, a few units have even tried to intervene and "resolve the matter internally." Within the railroad sector itself, there are some units that have created difficulties for one another.

When cargo handling responsibilities are not clearly defined and cargo handling contracts are not signed, as is the case at the Vat Cach Port and the An Lu Port, the quality of the information sent to the upper level is not high. Consider but one example: at the start of 1983, the railroad sector was informed that there were 10,000 tons of stone products in the Thanh Hoa area but there were actually 55,000 tons there. This situation created further disorder and a further strain on capacity to the sector managing the means of transportation. The railroad sector balances its transportation plan on the basis of its capacity but some units still sometimes force the sector over the telephone, through letters or at consignment conferences, to meet the requirements of their "emergency plans." Without strict, close adherence to economic contracts from top to bottom, violations of these contracts occur.

It is clear that together with the general advances made by the railroad sector, certain advances have been made in the signing and implementation of transportation economic contracts but that there are still more than a few shortcomings in this area.

Having examined the way things are actually done, the railroad sector is now continuing to reorganize and strengthen its network and closely observing the signing and implementation of economic contracts from the upper to the lower levels. It is continuing its struggle against collusion, bribery and the other negative phenomena. The entire sector is endeavoring to provide the number and types of railroad cars that are needed, organize cargo handling well, insure the coordination of shipping and receiving procedures and complete the task assigned to it in the best manner possible. If the concerned agencies and sectors create the necessary conditions and help put an end to the imposition of plans from above, the task of the sector will yield better results.

The efforts by the railroad sector to introduce economic contracts in exact accordance with the laws of the state involve an entire process of arduous struggle to advance from small-scale operations and doing as one sees fit to large-scale, scientifically planned production. Useful lessons have been learned from practice. Under the difficult conditions caused by the imbalances that exist in many areas, the implementation of economic contracts within rail transportation has become a matter of even greater urgency. Only by strictly complying with all rules and regulations and fulfilling every

commitment made in contracts in a voluntary fashion is it possible to quickly correct the stagnation that exists, restore order and encourage and create the conditions for all parties to successfully complete the plan assigned to them.

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## TRANSPORTATION AND COMMUNICATIONS

### TRANSPORTATION OF GRAIN BY RAIL IMPROVED

Hanoi QUAN DOI NHAN DAN in Vietnamese 29 Jun 83 p 3

[Article by Bang Vu: "New Advances Made in Grain Transportation by the Railroad Sector"]

[Text] The railroad sector plays and will always play the main role in the transportation of cargo and passengers. Very many products are transported between the North and the South, with grain being a very important product that is transported in rather large quantities. The communications sector, in general, and the railroad sector, in particular, are clearly aware of the fact that the transportation of grain is the number one strategic task. Grain is transported in large quantities and must be transported in a way that meets the pressing need for grain. These characteristics of grain transportation demand very large efforts on the part of the railroad sector. In past years, when carrying out the grain transportation task, the lack of a common understanding on the part of all levels and units caused difficulties to be encountered in work despite the detailed measures that were taken. Although the transportation of grain had been established as an important task, much was being done in grain transportation that was counter-productive. Sometimes, contracts did not state clear delivery times and the quantities being transported were not clearly known, consequently, very many difficulties were encountered in dispatching operations. Grain routinely became backlogged at terminals at a time when ample railroad cars and locomotives were available. The main cause of this situation was the fact that the way in which plans were to be implemented and the division of labor and responsibilities were not clearly defined. Sometimes cars and locomotives were available but stevedore forces were not. There were many cases in which, because the agencies in charge of cargo failed to create stable terminals, time was wasted, means of transportation were wasted and cargo was not transported even though railroad cars were available.

This year, under the guidance of the upper level, the railroad sector has improved its economic management and begun to bring about important changes. The sector streamlined its organization by establishing five transport corporations. Together with their task of transporting cargo and passengers, Transport Corporations Number 4 and Number 5 have been assigned the primary

task of providing the daily, weekly and monthly transportation of grain from the South to the North.

The Railroad General Department has established a control center tasked with being the agency that works directly with the basic level in order to apportion and balance plans, observe, supervise and create every condition needed to help the transport corporations fulfill their tasks. A deputy director of the control center has gone to installations and worked at terminals to promptly help resolve the difficulties being encountered by transport units.

In the "spirit" of being determined to not allow grain to become backlogged at terminals and not allow one railroad car carrying grain to stop "along the tracks," the railroad sector has taken many positive, concrete measures, for example, at terminals, grain products are given priority in terms of stevedore forces, and railroad cars and locomotives that are in good condition in order to insure safety in transportation. When trains transporting grain encounter obstacles or obstructions along tracks within a locality that is under the management of any corporation, the locality must take every step to remove the obstacles as quickly as possible.

The Railroad General Department has also strengthened many of the measures it employs in order to do the best possible job of transporting grain. Importance has been attached to establishing a close relationship between the owners of cargo and transport units to insure the full execution of contracts. Each contract clause must comply with regulations. One difficulty that the owners of cargo created for transport units in past years was the lack of stable terminals, which resulted in a waste of time and means of transportation. Under present contract procedures, the sector must clearly establish who is responsible for mistakes and has adopted a system of fair rewards and penalties in order to encourage units to perform their transport task well.

Transport Corporation Number 4 and Transport Corporation Number 5, which are the two units that have the special responsibility of transporting grain products have displayed high determination and taken positive measures. After obtaining signed contracts, the various transportation units fully implemented the regulations of the railroad sector and began operating trains along new routes to correct the many inefficiencies that existed along old routes. Each unit has efficiently reorganized its forces and deployed a stevedore force of adequate size to be ready to unload cargo as soon as it arrives. In conjunction with their organizational work, all units have implemented the product contract wage system and established fair rewards and penalties in order to promptly provide incentive to laborers. As a result, units have been able to insure that grain is loaded and unloaded on schedule and in a safe manner and have controlled waste and losses. The negative phenomena that existed within some stevedore units have virtually been eliminated.

In order to transport the quantity of grain products required to meet the daily needs of production and everyday life, Transport Corporations Number 4 and Number 5, in addition to making full use of the railroad car and locomotive capacity allotted to them, have also made full use of trains to

transport fertilizer and materials from the North to the South and transport grain from the South to the North on the return trip. The various units have also used cars of the Thong Nhat Passenger Line to transport grain.

Since the start of 1983, as a result of the measures described above, marked advances have been made in the railroad sector's transport operations, in general, and in the transportation of grain by Transport Corporations Number 4 and Number 5, in particular. All monthly grain transport plans have been completed well. During the 1st quarter and the 2nd quarter, both Transport Corporation Number 4 and Transport Corporation Number 5 exceeded their grain transportation plan quotas by 4 to 7 percent. Of special importance is the fact that the quality of the cargo transported is always maintained and losses and waste have been greatly reduced.

However, in day to day operations, certain limitations have become evident. The organization of transportation is still inefficient in many areas. Transport units are still not the units that enter into contracts with cargo owners; as a result, the right of collective ownership cannot be developed upon and initiative cannot be taken in transport operations; therefore, there are times when dozens of cars loaded with grain must remain on sidings. There are also times when owners of cargo turn dozens of railroad cars into "temporary" storehouses for many days at a time when there is a shortage of railroad cars, thereby significantly affecting the overall transport plan.

The railroad sector, in general, and the grain transport units of the sector, in particular, are moving forward to develop upon their strengths, correct their shortcomings and insure the completion of the grain transportation plan, a plan which represents an extremely important task in helping to resolve the difficulties being encountered in the lives of cadres, manual workers, civil servants, troops and the people in the present situation.

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## POPULATION, CUSTOMS AND CULTURE

### FAMILIES RESETTLED AT STATE FARMS

Hanoi QUAN DOI NHAN DAN in Vietnamese 5 Jul 83 p 1

[VNA News Release: "3,250 Ethnic Minority Families Settled at State Forestry Sites and Farms']

[Text] The provinces of Cao Bang, Bac Thai, Ha Tuyen, Hoang Lien Son, Lai Chau, Son La, Dac Lac and Gia Lai-Kontum have sent more than 3,250 families consisting of 13,930 persons and 4,675 laborers from eight different ethnic minorities to work at 23 state-operated forestry sites and state farms and six communications routes.

The settlement committees of the various provinces, together with the boards of directors of the state farms and forestry sites, adopted plans for bringing compatriots of the Tay, Nung, H'Mong, Bahnar, Ede and other ethnic minorities who were living as nomads around state farms and forestry sites into state farms and forestry sites to adopt settled lives. The state farms, forestry sites and communications areas receiving compatriots of the various ethnic minorities prepared all the conditions and means of transportation needed to bring them from their former hamlets and villages to their new places of residence, provided them with building materials with which to construct homes and allocated from 1,000 to 1,500 square meters of garden land to each family.

The state farms in Dac lac, Tay Nguyen, Lam Dong and other provinces have sent skilled manual workers to help the new, inexperienced workers of the Ede, Bahnar and Mnong minorities learn the techniques of planting coffee trees, rubber trees, tea plants and so forth. The Pung Luong and Lien Son Forestry Sites in Hoang Lien Son Province, the forestry sites of Cao Bang, Ha Tuyen, Lai Chau and other provinces have instructed workers of the H'Mong, Dao, Tay, Thai and other minorities in the techniques of planting forests, planting trees that provide special products for exportation and so forth. Based on their living habits and specific jobs, the forestry sites and farms have also organized the compatriots of the ethnic minorities in independent production units. Compared to forestry site quotas, the labor productivity of each H'Mong, Bahnar, Dao and other ethnic minority worker is three times higher in the jobs of clearing land, building roads and laying land out for afforestation and four times higher in the digging of planting holes for trees.

The state farms, forestry sites and communications areas have also organized additional handicraft trades and allocated production land to families in order to increase the production of food, develop the garden economy and create jobs for the subsidiary labor and dependent of the families of ethnic minority workers. The school age children of the families of ethnic minority workers are attending school and small children are attending child care centers and kindergartens. Literature and art units of workers of the H'Mong, Tay, Nung, Bahnar and Ede ethnic minorities have been established in the production units. The ethnic minority settlers at the state farms and forestry sites of Pung Luong and De Xu Pinh in Hoang Lien Son Province, Phu Xuan and Ea Sup in Dac Lac Province, Huu Lung, La Nga and so forth are mobilizing many ethnic minority families in other hamlets and villages to join state farms and forestry sites and abandon their nomadic lives and slash and burn cultivation.

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